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TODAY: HEALTH SCIENCE Hold the Fatty Patties?

Martin Mejia/The Associated Press

Michel Mining, right, the chief of the Red Cross in Peru, walking into the Japanese ambassador's home Wednesday in Lima, carrying medicine for some of the hostages who were hurt during an attack at a reception.

Defiant Peru Rebels Issue Death Threats for Envoys

Compiled by Our Staff From Dispatches

LIMA — Leftist guerrillas threatened to kill as many as 490 hostages in the Japanese ambassador's residence here Wednesday as hopes faded of a quick resolution a day after the building was taken.

The rebels called on President Alberto Fujimori to negotiate personally for the release of the captives, including two Peruvian cabinet ministers and at least 15 ambassadors from Asia, Europe and the Americas who had been attending a reception in honor of the birthday of Emperor Akihito of Japan.

The rebels, from the Cuban-inspired Tupac Amaru Revolutionary Movement, said they would kill the hostages unless the government freed as many as 500 of their jailed comrades. They said their top priority was the release of their leader, Victor Polay, who was imprisoned in 1992.

"If they do not release our prisoners, we will all die in here," one guerrilla told a local radio station from inside the besieged compound.

Tensions rose around midday local time when the rebels threatened to kill hostages, starting with Foreign Minister Francisco Tudela Van Breugel Douglas, within an hour unless Mr. Fujimori joined negotiations. But the deadline passed, apparently without bloodshed, and the guerrillas released four elderly hostages.

The rebels, some of whom had posed as waiters, attacked as the party began Tuesday evening, setting off explosions and exchanging gunfire with the police for almost an hour. Two hostages and a rebel were reported wounded.

Juan Mejia, head of the police task force handling the siege, confirmed that the rebels had smuggled in ammunition among flowers and a Christmas cake.

After the initial chaotic shoot-out, there was calm for several hours while women and elderly people were gradually released. Eventually, about 170 people, including Mr. Fujimori's mother and sister, were set free. The rebels said about 490 hostages remained, a higher figure than that reported by the government. The attack was a major blow to Mr. Fujimori's government, which had claimed a virtual victory in a 16-year war with the Tupac Amaru and the larger and better-known Maoist Shining Path.

"Whatever happens now, the damage to Peru has been done," said an analyst, Carlos Tapia.

"Once again, the world has the image of Peru as a country plagued by guerrillas."

Speaking to local news media from inside the building, the rebels accused the government of refusing to negotiate. They said they had booby-trapped the entrances to the residence.

"Up to now, there is an intransigent position," said a rebel, Walter Loayza, adding that he and his comrades wanted transportation for them and for freed prisoners to a guerrilla-controlled jungle area. "The only solution is a political one," he said.

Mr. Fujimori suspended public appearances and called an emergency cabinet meeting for Thursday morning. In a conversation with Prime Minister Ryutaro Hashimoto of Japan, the president said Interior Minister Juan Briones Davila was handling negotiations.

The head of the Red Cross in Peru, Michel Minnig, was allowed to enter the compound Wednesday morning to try to mediate.

Guerrilla spokesmen said they had targeted Ambassador Morihisa Aoki's home to protest Tokyo's support for Mr. Fujimori, the son of Japanese immigrants, and his economic policies.

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For Red Cross, the Risks Are Rising

In Brutal Modern Conflicts the Rules Are Often Muddled

By Raymond Bonner
New York Times Service

For more than a century, the distinctive emblem of the International Committee of the Red Cross has been recognized as a banner of neutrality, enabling its doctors and nurses to treat soldiers and civilians on both sides in the world's most brutal war zones.

Now, however, the ethnic conflicts that have blotted the post-Cold War era have proven far more dangerous for the Red Cross, and the killing Tuesday of six Red Cross workers in Chechnya brought those new risks into sharp relief.

"In today's conflicts, there may be five, six, seven parties, a lot of militias, bandits and self-named warlords," said Peter Fuchs, the organization's director-general. "No one is in control."

Fifteen Red Cross employees lost their lives between 1942 and 1990.

Yet, in just six years since the end of the Cold War, 18 Red Cross "delegates" — as foreign Red Cross employees in a country are called — have been killed, including three in Burundi in June.

Other aid agencies join Red Cross's pullout from Chechnya. Page 4.

The organization lost three delegates in Somalia, and the head of its delegation to Bosnia was killed on one of the first relief convoys into Sarajevo in 1992.

During the more conventional wars of the last century, and in World War I and World War II, the combatants were armies under the control of states, and generally they respected the Red Cross.

In today's conflicts, many of the armed groups "lack the respect for the emblem," Mr. Fuchs said in a phone interview from the organization's headquarters in Geneva. "They don't even know what the ICRC is."

Historically, the organization has worked in places that other relief groups considered too risky. During the orgy of ethnic killing in Rwanda in April 1994.

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FBI Agent Is Charged With Spying for Moscow

Wife Aided Sting Operation Against Him

By Brian Knowlton
International Herald Tribune

WASHINGTON — An FBI agent was arrested in Virginia on Wednesday on charges of spying for Moscow, a month after espionage charges were filed against a man said to be the highest-ranking CIA agent ever to spy for the Russians.

The FBI agent, identified as Earl Edwin Pitts, 43, is only the second agent from the bureau ever to be charged with espionage. At the time of his arrest, he was working at the FBI training academy at Quantico, Virginia, south of Washington.

The alleged espionage, said the FBI director, Louis Freeh, constituted "a significant threat to our national security."

A U.S. attorney, Helen Fahey, said that Mr. Pitts had access to "a wide range of sensitive and highly classified operations."

The bureau said that Mr. Pitts's wife, who at the time was an FBI clerk, cooperated in an FBI sting operation that led to her husband's arrest. She later left the bureau. Mr. Freeh said that a Russian who had previously worked in the Russian mission in New York was also cooperating with investigators and could be expected to testify against Mr. Pitts. Mr. Pitts, a 13-year veteran of the bureau, was formally charged Wednesday at the U.S. District Court in Alexandria, Virginia, with attempted espionage and conspiracy to commit espionage. He faces a maximum penalty of life imprisonment if convicted, though those offenses can carry the death penalty.

Mr. Pitts was also charged with a lesser espionage count and with conveying government property, each of which carries a maximum 10-year penalty.

An affidavit filed with the court charged that Mr. Pitts, a supervisor in the bureau, had actively spied for Moscow from 1987 to 1992, first for the former Soviet Union's KGB intelligence bureau and then for its post-Communist successor, the SVRR. It said he had been paid $224,000 during that period.

More than a year before his arrest, the FBI said, Mr. Pitts' wife, Mary, began helping the bureau in its investigation, despite her misgivings.

"It will probably be the end of my marriage either way it goes," court papers quote her as telling a neighbor.

Mr. Pitts is accused of having met with a Russian handler while posted in New York, where his duties included investigating suspected KGB officials.

Mr. Pitts had allegedly remained a SVRR spy since then, though he had been inactive since 1992 except for his part in a sting operation that led to his arrest.

From August 1995 to the present, according to the affidavit, he passed information to FBI agents posing as Russian operatives. He allegedly suggested smuggling one of those agents, whom he believed to be a Russian technical expert, into the academy in Quantico, and to have offered the use of his own FBI badge to make access easier.

Mr. Pitts provided secrets about U.S. national defense, as well as "personal, medical and family information on fellow FBI agents who might be vulnerable to recruitment" by the Russians, Ms. Fahey said.

Mr. Freeh said investigators had found evidence in Mr. Pitts's office computer of a plan to escape overseas.

Two federal officials told The Associated Press that Mr. Pitts had no connection to Harold Nicholson, the former Central Intelligence Agency station chief charged last month with selling secrets to Russia.

The only other FBI agent ever charged with spying was Richard Miller, who is now serving a 20-year sentence.

Byproduct Of Weak Yen: Japan Posts Big Surplus

By Velisarios Kattoulas
International Herald Tribune

TOKYO — Japan's merchandise trade surplus rose last month for the first time in two years, the government said Wednesday, as a weaker yen led to increased exports, cut the country's imports and raised the prospect of renewed trade conflict with the United States.

The 31.2 percent rise in the trade surplus with the United States, to 378.39 billion yen ($3.31 billion), and the 0.2 percent rise in Japan's total customs-cleared surplus to 675.19 billion yen surprised economists. They had expected further declines in the overall surplus but said November's numbers suggested Japan's trade surplus was poised to rebound.

"The figures indicate the fall in the Japanese trade surplus that we have seen over the past two years is over and that sooner or later it will start to grow again," said Masaru Takagi, chief economist at Fuji Research Institute.

"This year has been very quiet in terms of trade friction with the United States," he said, "but next year, Japan's trade surplus will make the Japan-U.S. trade relationship more severe, especially if Japan's surplus with the United States continues to grow at 30 percent."

In recent weeks, Washington has come under pressure from American manufacturers to tone down its support for a stronger dollar. Washington has repeatedly resisted, most recently on Dec. 5 when Treasury Secretary Robert Rubin said that a

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Wake-Up Call for Phone Companies

World Communications Firms Alarmed by U.S. Idea for Lower Rates

By Mike Mills
Washington Post Service

WASHINGTON — Telephone companies around the world will aggressively challenge a proposed U.S. rule that could save American consumers billions of dollars in charges for international long-distance telephone calls but could prove costly to the non-U.S. companies.

International calls from the United States cost 99 cents a minute on average, compared with 16 cents for calls within the United States, largely because of high rates that government-run monopoly phone companies abroad charge U.S. companies for completing calls, according to the Federal Communications Commission.

So the commission Wednesday proposed measures that, in short, tells foreign carriers to lower rates for calls to and from the United States, or risk losing big fees from U.S. users.

"We pay $5.5 billion a year to foreign monopolies and foreign governments," said Reed Hundt, the panel's chairman. "It has got to come way down. It's essentially a tax on U.S. consumers."

Foreign countries have hired powerful Washington law firms to fight the new rules. They say the agency has no authority to force other countries to lower their rates.

Non-U.S. companies face pressure at home. Page 13.

They also assert that the communications commission is overstepping its bounds by forcing U.S. long-distance companies to band together and refuse to pay rates that are in dispute. "In essence, the FCC is claiming the authority to

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Clinton Fund-Raiser Got A Role as Trade Adviser

By David E. Sanger
New York Times Service

WASHINGTON — President Bill Clinton expanded an advisory panel on trade with Pacific nations earlier this year to include several political appointees, including an Arkansas businessman who several months later orchestrated more than $639,000 in questionable donations to his legal defense fund.

The name of the businessman, Charles Yah Lin Trie, was a last-minute addition to the list of commission members assembled by the White House in November 1995.

Four months later, Mr. Trie, who runs a small trading company called Daihatsu International, delivered the first batch of checks and money orders at the office of the Washington lawyer who directs the legal trust fund. Lawyers for the fund said the money raised by Mr. Trie was returned because of questions about its origin.

When the White House office of personnel issued its final list of the members of the committee and distributed it inside the administration on Nov. 27, 1995, Mr. Trie's name appeared with the boldface notation: "Supported by White House. Democrat-Ar."

Several people familiar with the compilation of the list, which took place over several months, said Mr. Trie's name appeared for the first time just a few weeks before the final list was settled upon.

"This just showed up from the White House," an official involved in the process said Tuesday. "We had no idea who this guy was."

Soon after Mr. Trie's name was in-

See CLINTON, Page 4

Carl Daych/The Associated Press

EU INQUIRY — Competition Commissioner Karel van Miert announcing an investigation of the Boeing deal Wednesday. Page 11.

AGENDA

Heart-Bypass Dangers Unveiled

WASHINGTON (NYT) — Heart bypass surgery leads to serious physical and mental impairment from strokes and other brain damage more often than many experts previously believed, a large study has found.

Six percent of the more than 2,400 participants died or suffered new and severe neurologic complications, including stroke or substantial deterioration of memory, concentration or other intellectual function.

Survivors stayed in the hospital longer after heart surgery and needed extensive use of costly rehabilitation and other health-care facilities, the team of researchers headed by Dr. Dennis T. Mangano reported in the New England Journal of Medicine.

Dr. Mangano, an anesthesiologist at the University of California at San Francisco, said that drugs and other methods were needed to help reduce the incidence of such adverse effects.

Dow Jones	Trib Index
Up 38.44	Up 0.61%
6346.77	145.93

The Dollar

New York.	Wed. close	previous close
DM	1.5515	1.55
Pound	1.674	1.6717
Yen	113.675	113.85
FF	5.243	5.23

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GREECE: REACHING OUT

In Japan, Keystrokes Are Wiping Out the Knack for Pen Strokes

By Sheryl WuDunn
New York Times Service

TOKYO — The standard way to begin a letter in Japanese is "haikei," an honorific that can be literally translated as "your enlightened worship."

So it was a problem when a young businessman miswrote a few strokes as he penned the characters, inadvertently beginning the letter with "you enlightened piece of waste."

That kind of writing mistake seems to be becoming more common in Japan, and in some other parts of East Asia where Chinese characters are used for writing.

One of the culprits is computers: people get used to tapping a couple of keys and having the computer write the character.

"I can read characters for grape or soy sauce, but I can't write them," said Yuri Abe, 28, a manager at Kirin Beer Co., who writes every day by hand and is studying for national exams on characters. "I also have problems with names of people or names of fish or birds."

It may seem odd that Japanese have difficulty writing "soy sauce," a character that most people see just about every day of their lives.

But while soy sauce in Japanese is simple enough to pronounce ("shoyu"), it takes 25 strokes to write the Chinese characters.

"The only time I write by hand is when I write envelopes and when I have to fill out forms," said Tsunao Ogino, 43, a linguistics professor, who admits he is forgetting his characters.

"When it occurs to me that we need spinach and soy sauce, I write an electronic message to my wife, even if she is in the next room."

Many people in all languages forget how to spell words they see all the time. But the problem is greater in the places that use Chinese characters: Japan, China, South Korea, Taiwan and Hong Kong.

When the Cultural Agency in Japan researched the effect of word processors, they discovered that nearly 40 percent of respondents said they had become more forgetful in writing characters.

Forgetting a few dots, or even one, can have huge repercussions.

For Satoko Katano, 27, a public relations employee at Sanyo Electric Co., the lapse in handwriting sometimes makes her frown.

Her name actually means "wise child Katano." But on the pages of a sloppy writer, her first name sometimes turns into "haji" and takes on a new meaning: "shameful child Katano."

"It happens when they write by hand, mostly when I receive letters or New Year's cards from younger people," Miss Katano said.

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Newsstand Prices

Bahrain	1.000 Din	Malta	55 c.
Cyprus	C. £ 1.00	Nigeria	125.00 Naira
Denmark	14.00 D.Kr.	Oman	1.250 Rials
Finland	12.00 F.M.	Qatar	10.00 Rials
Gibraltar	£ 0.85	Rep. Ireland	IR £ 1.00
Great Britain	£ 0.90	Saudi Arabia	10.00 R
Egypt	£E 5	S. Africa	R12 + VAT
Jordan	1.250 JD	U.A.E.	10.00 Dirh
Kenya	K. SH. 150	U.S. Mil. (Eur.)	$ 1.20
Kuwait	600 Fils	Zimbabwe	Zm.$30.00

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No. 1? / **Not Newark**

Rating Cities: Mayors Love It And Loathe It

By Dale Russakoff
Washington Post Service

NEWARK, New Jersey — Mayor Sharpe James, who spends his days and nights trying to lead this impoverished city up what he calls the "rough side of the mountain," had plenty of pressing business the other day when CNN asked him to drop everything and go to Manhattan to debate the author of a magazine article on "America's Safest Places."

But Newark's overburdened mayor was there in a heartbeat. In fact, he argued, there was no more important place for him to be.

Newark had come out dead last in Money magazine's ranking of 202 cities. At that moment, a press release branding Newark as America's most dangerous city was on its way to news media outlets everywhere.

The safest city, in Money's study, was Amherst, New York, a bucolic Buffalo suburb of 107,000, which the hopping-mad Mr. James sneered "has 30 inches of snow most of the year and the people make $80,000 or whatever."

It was hardly remarkable that Newark, Atlanta, St. Louis, New Orleans, Detroit, Miami and Washington rated high on the crime scale for cities of 100,000 or more. But Mr. James's fury — "What story is not being told is the progress, the renaissance, the improvement in these cities," he complained — which is echoed by leaders in other major cities, reflects the growing clout of a cottage industry of "livability" surveys that purport to rank cities and regions against each other.

Macmillan USA's "Places Rated Almanac," the granddaddy of most-livable-places surveys, ranks Orange County, California, first among 351 metropolitan areas. In October, Fortune released the "Best Cities for Work and Family" (Seattle, followed by Denver and Philadelphia). Last summer, Money anointed the "Best Places to Live" (Madison, Wisconsin, followed by Punta Gorda, Florida, and Rochester, Minnesota).

Still to come are Know-How magazine's "Best Cities for Women," Home Office Computing's "Best Cities to Run a Small Business," Black Enterprise's "Best Cities for African Americans to Live and Work" and many more.

While there is no reliable measure of the impact of these surveys, which are often contradictory, city officials insist that they create perceptions that affect a community's economic fortunes. And while officials are quick to slam unfavorable surveys, they trumpet favorable ones in brochures sent to travelers, prospective employers and, of course, the news media.

"I keep a folder labeled 'Philadelphia Awards' because this is so important to us," said Meryl Levitz, who heads the Greater Philadelphia Tourism Marketing Corp. "To say you're in the top 10 of anything is instant credibility. Philadelphia's economic development group put together a flier that says No. 1 for that, No. 3 for this."

The multimillion-dollar tourism venture that Ms. Levitz heads illustrates some reasons for the trend. Philadelphia, devastated by the collapse of basic industry, is looking to tourism to replace thousands of lost jobs and tens of millions of dollars of business.

Ms. Levitz's surveys show that leisure travelers, her target market, want family-oriented, worry-free destinations that also offer excitement.

The excitement part is easy for a big city, Ms. Levitz says — with world-class restaurants, culture and, in Philadelphia's case, American shrines such as the Liberty Bell and Independence Hall.

The rest is perception, which is trickier.

So when Philadelphia finished third in Fortune's ranking of places to combine work and family, Ms. Levitz said, "that went right into the press kit."

"It implied worry-free," she added. "It implied family destination. It's a national endorsement from a credible, outside source. It's something the city clearly could not pay for. The convention and visitors' bureau alone sent out a couple of thousand copies of that article."

But Philadelphia won't be sending out the latest Money survey, which rated it No. 167 in safety.

The surveys probably have little impact on companies' decisions where to move, which tend to be based on intensive research and negotiations. But city officials and boosters clearly think that the surveys are a factor.

Though they are ubiquitous now, barely 15 years ago these surveys were nowhere to be found.

David Savageau, author of "Places Rated Almanac," first published in 1981, dreamed up the idea when leaving a job and looking in vain for an objective analysis of places to which he might consider moving. He decided to write his own.

With the fifth edition just out from Macmillan, the book has now sold 750,000 copies, he said. It rates metropolitan areas by nine criteria, from living costs to transportation to climate. All criteria are ranked equally, he said, to highlight communities with "across-the-board strength."

That is where Money saw a niche, said Richard Eisenberg, an assistant managing editor who helped conceive the first copycat of the "Almanac" — "Best Places to Live," which Money has published each July since 1986 and which is now one of the magazine's top-selling issues.

The magazine polls its upscale, investment-minded readers annually to determine what they value most, Mr. Eisenberg said, and weights its list accordingly. As a result, a city that is "in" one year is often "out" the next.

Money's readers, he said, are most concerned with quality-of-life issues — the environment, health care, crime. But this year, worries about crime topped all others, giving Money a bright idea: another survey!

Hence "America's Safest Places," the Amherst-to-Newark list. It will now be an annual feature and will probably be on the cover in the future, given all the attention.

On the surface, the trend is perplexing because the percentage of Americans moving between states (they numbered 6.7 million in 1993-94) has not increased since Mr. Savageau's "Places Rated" had the market to itself. But, he observed, the number of people who think about moving appears to be soaring.

Mr. Eisenberg attributed such interest to fears of downsizing, a telecommuting revolution that allows people to take their work almost anywhere, and large numbers of people looking to start new careers or retire.

After Money's "Best Places to Live" survey scored big with this restless market, its Time Warner Inc. cousin, Fortune, published "Best Places to Do Business."

The spinoffs have now taken on a life of their own. "It's reached the point that Outside magazine has "Best Places for Environmentally Aware Fresh Air Types' or something like that," Mr. Savageau said.

Nina Berman/SIPA Press

The Associated Press

Newark's mayor, Sharpe James, left, and his city, above at night as car thieves await a target. Municipalities are unfairly maligned by 'livability' ratings, he says. 'What story is not being told is the progress, the renaissance, the improvement in these cities.'

New Talks Fail to Break Impasse Over Hebron

The Associated Press

JERUSALEM — Israel and the Palestinians are far apart on the terms of a Hebron redeployment and a further Israeli troop withdrawal in the West Bank, the chief Palestinian negotiator said Wednesday.

The two sides resumed talks this week, following a two-week break called amid growing tensions over Israeli plans to expand and subsidize Jewish settlements in the West Bank and Gaza Strip.

Israeli officials said Tuesday they were trying to arrange a meeting between Prime Minister Benjamin Netanyahu and the Palestinian leader, Yasser Arafat, to try to finalize a Hebron deal. Such a meeting would not be held before the weekend, when Mr. Arafat returns from a trip to Europe, the Israeli officials said.

In Hebron, the last West Bank town under Israeli occupation, Palestinian students held makeshift classes for a second day Wednesday outside the Islamic University to protest the school's closure by the Israeli Army 10 months ago.

Two Arab members of Israel's Parliament toured the closed campus and urged students to keep up the protests until Israel permitted studies to resume. Legislators said they were told by the Defense Ministry that the opening of the university was being linked to a Hebron troop pullback.

The army ordered the university and several other West Bank colleges shut in March in response to four suicide bombings by Islamic militants. Israel has said the schools were militant strongholds.

Under the peace accords signed by the Palestinians and Israel's previous government, troops were to leave four-fifths of Hebron by March 1996. But the suicide bombings and the May election victory of Mr. Netanyahu held up the redeployment.

Mr. Netanyahu has insisted on renegotiating the terms of redeployment, saying he wanted better protection for the 500 Jewish settlers who live among the 130,000 Palestinians in the city.

The Palestinians have said they were ready to consider changes in the security arrangements, but would not reopen agreements already signed. More than two months of talks produced no results.

"I would say the major gaps are still there due to the fact that the Israeli government still wants to change the agreement," said Saeb Erakat, the chief Palestinian negotiator, who met twice this week with Mr. Netanyahu's attorney, Yitzhak Molcho.

"The moment Mr. Netanyahu takes a political decision to give his negotiators the green light to stop trying to change the agreement, we will have a mechanism within an hour," Mr. Erakat said.

Mr. Erakat noted that Hebron was not the only sticking point. Under the interim agreements, Israeli troops were to have pulled back from West Bank rural areas in three stages, with the withdrawal starting in September 1996 and being completed a year later.

Israel did not start the so-called "further redeployment," and Mr. Netanyahu has said he would prefer to skip that stage of the interim agreement and go directly to talks on a final peace accord. The Palestinians rejected Israel's offer.

In other developments Wednesday, Jewish settlers laid a cornerstone for a new neighborhood outside the West Bank settlement of Beit El in what they said was their response to a shooting by Palestinian militants.

In the attack, a Jewish settler from Beit El and her 12-year-old son were killed last week.

Rebels' Leader Warns Mobutu: Give Up Power

Reuters

KIGALI, Rwanda — The Zairian rebel leader Laurent Kabila demanded Wednesday that President Mobutu Sese Seko hand over power to his opposition alliance, which has captured a string of major towns in eastern Zaire.

Mr. Kabila, who leads the rebel Alliance of Democratic Forces for the Liberation of the Congo (Zaire), said Marshal Mobutu's return to the capital, Kinshasa on Tuesday after four months in Europe was laughable.

"The country is in chaos," he said by telephone. "There is no country at all. The sooner he goes the better. Mobutu should resign now and relinquish power to the alliance."

He said he was speaking from the eastern town of Goma, which the rebels captured last month in their rout of government troops and exiled Rwandan Hutu militia.

"We are well prepared, morale of our troops is high and the population supports their liberation from slavery," he said.

"Unless he cooperates, his return makes no difference because he has failed to develop the country," Mr. Kabila said. "Either he engages himself in negotiations with the alliance to solve the crisis or he has to face the law of force."

Huge crowds greeted Marshal Mobutu in Kinshasa on his return from cancer treatment in Switzerland and recuperation in France.

Marshal Mobutu, who seized power in 1965, gave no indication of what he might do to prevent Zaire's disintegration.

Mr. Kabila also said the rebels had seized the mining town of Walikale, 130 kilometers west of Goma, on Monday. But some aid workers expressed doubt.

Turkey Waits for 'Big Push' From U.S. to Resolve Cyprus Problem

By Stephen Kinzer
New York Times Service

ISTANBUL — With President Bill Clinton's new foreign-policy team now nominated, Turkish officials are wondering whether the expected U.S. "big push" to resolve the festering Cyprus conflict, and perhaps the larger Greek-Turkish confrontation, will materialize in 1997.

Last week, Mr. Clinton sent a letter to congressional leaders saying that tensions on Cyprus had risen to "their worst level in many years."

While not explicitly promising an initiative, he referred to "the urgency of the current situation" and said his administration was "committed to promoting a lasting peace on the island."

He said recent outbreaks of violence there "underscored the unsustainability of the status quo and the need for redoubled efforts toward a negotiated solution."

In another sign that the world community may be preparing a new effort to resolve the Cyprus dispute, Foreign Secretary Malcolm Rifkind of Britain arrived there on Sunday for a round of meetings. It was the first visit to Cyprus by a British foreign secretary in more than 30 years.

"I think there is a real scope for progress," Mr. Rifkind said Monday. "One must acknowledge that it is not going to happen overnight but that 1997 ought to be the year in which perhaps the important breakthrough is made."

The special United Nations envoy to Cyprus, Han Sun Joo, a former foreign minister of South Korea, announced recently that he was preparing for an extended stay on the island beginning in January. He will seek to organize "proximity talks" between Greek and Turkish Cypriot leaders.

Many European diplomats say they believe that 1997 will be an ideal time to confront the Cyprus dispute and related issues, largely because the Greek Cypriot government has applied for membership in the European Union. The Greek Cypriots, they reason, can be told that they will not be admitted unless they make peace with their Turkish Cypriot neighbors.

Turkish Cypriots, in turn, could be told that if they do not cooperate in a peace process, Greek Cyprus will be admitted to the European Union without them. If both sides can reach a broad agreement, the entire island could join as a single entity.

The Greek and Turkish governments on Cyprus are responsive, respectively, to Athens and Ankara. Any peace effort would have to include the patron governments, either formally or informally. That might hold out the possibility of agreement on larger issues that divide Greece and Turkey.

"Quite a bit of momentum has built up, and we are expecting the big push in the first half of next year," said Michael Lake, the European Union's envoy to Turkey.

"All signs have been that after the American presidential election and the appointment of the national security team, the United States would make a substantial effort," he said. "It would be aimed at bringing Cyprus into the EU as a bizonal, binational state."

"Membership in the EU would be a great prize for everyone on the island," Mr. Lake continued. "It would give the Greek Cypriots what they want, the political and economic benefits of full integration with the European Union.

"For the Turkish Cypriots, who are effectively stateless because of the international embargo on them, it would mean a secure prospect of recognition as part of the world community. They would also become the first identifiably Muslim community inside the EU, which could be very important for Turkey. All of this might also pave the way for a broader solution to problems in the Aegean between Greece and Turkey."

After Mr. Clinton announced his nomination of Madeleine Albright to be secretary of state, Turkey's Islamist prime minister, Necmettin Erbakan, praised her as a "positive and constructive person."

The two met in Ankara in July, and Mr. Erbakan said he hoped that she would visit again soon. Mrs. Albright also visited Cyprus in July.

The state-run Anatolian News Agency quoted unidentified Turkish diplomats as saying Mrs. Albright's appointment was "something favorable from our point of view" because she had visited Turkey and had "no known bias in favor of one of the sides in the Turkish-Greek and Cyprus disputes."

Turkish governments have traditionally been friendly toward the United States, but they instinctively mistrust U.S. efforts to mediate Greek-Turkish disputes, because they fear that potent Greek and Armenian lobbies in the United States will force U.S. diplomats to take anti-Turkish positions.

Tensions between Greeks and Turks on Cyprus have been almost continuous since 1960, when Britain granted the island independence.

In 1974, fearing that Greece's military dictatorship was planning to absorb the island and turn it into Greek territory, Turkish leaders sent troops there. About 35,000 remain, and the "green line" dividing the Turkish and Greek zones has become one of the world's tensest borders.

The Greek Cypriot government is internationally recognized, while the Turkish Cypriot state, declared in 1983, is recognized only by Turkey. There is almost no contact between the two and the bitterness that divides them is reflected in periodic outbreaks of violence along the border. Four persons have died in such incidents since August.

Both Greece and Turkey are members of NATO. Their continued hostility, as well as that of their allies on Cyprus, is a flashpoint that security planners in foreign capitals fear could one day flare into war.

Ankara Loses Cypriot Case

Reuters

STRASBOURG — The European Court of Human Rights, in a landmark judgment, ruled Wednesday that Turkey had violated the rights of a Greek Cypriot who lost her land in northern Cyprus when Turkey invaded in 1974.

The court dismissed Turkey's argument that the European human rights convention did not apply to its occupation of the north of the Mediterranean island, and it rejected Turkey's contention that the expropriation was legal under the constitution of the Turkish Republic of Northern Cyprus, an entity recognized only by Ankara.

The court, voting 11 to 6, ruled that Turkey had violated Titina Loizidou's property rights by denying her access to plots of land she owned in Kyrenia. When she tried to return in March 1989, she was arrested and returned to the Greek sector.

5 Nordic Nations, 2 Outside EU, to Join Visa-Free Zone

The Associated Press

BRUSSELS — Finland, Denmark and Sweden, all members of the European Union, will join Western Europe's visa-free zone Thursday, as will Iceland and Norway, the first time that nations not in the EU will be part of the venture.

The five Nordic nations ended a passport requirement for travel within their borders in 1958. Finland, Denmark and Sweden were ready to join the EU's group of 10 visa-free travel nations only if their Nordic Passport Union would stay intact. The ceremony Thursday in Luxembourg will thus enlarge the EU's visa-free zone to 15 nations.

"People in Denmark and other Scandinavian countries are used to having free movement within Scandinavia," said a Danish official involved in the negotiations. "It would have been out of the question to create new borders within the region."

A Swedish official added that staying out of the EU's so-called Schengen Group was an unpalatable option.

The Schengen treaty, named after the Luxembourg village where the agreement was forged in 1985, aims to drop border controls on travelers in the EU and at the same time step up cross-border police cooperation.

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TRAVEL UPDATE

SAS Will Drop Osaka Routes

TOKYO (AFP) — SAS announced Wednesday it would stop its services from Osaka, Japan, to Stockholm and Copenhagen in March, saying the route was not lucrative enough.

SAS now operates three weekly flights between Osaka and the Danish capital, and one flight a week to Stockholm during the summer. From Narita airport east of Tokyo, it operates five flights to Copenhagen and two to Stockholm.

Public transport workers in Rouen, France, voted to end a 21-day strike Wednesday after local officials agreed to lower the work week to 34 hours from 38. *(Reuters)*

Lightning struck the Johannesburg airport's control tower during a violent storm, knocking out radar antennas and delaying traffic, officials said Wednesday. *(Reuters)*

WEATHER

Forecast for Friday through Sunday, as provided by AccuWeather.

North America
The northern third of the United States from the Plains to New England will be much colder than normal into the weekend. However, temperatures will moderate a bit in the Great Lakes and Northeast by Sunday. Becoming colder and unsettled in the northern Rockies and Northwest this weekend.

Europe
Unsettled and rather cool across much of Europe, including London and Rome, with showers likely through Sunday. Persistent rains will lead to heavy totals across Portugal and western Spain. Northeast Europe and the Baltics will be mainly dry and cold; western Russia will stay frigid.

Asia
Seasonable in Beijing and Seoul through Saturday; showers are possible Saturday into Sunday in Seoul, then colder late this weekend. Tokyo will have a slight warming trend with showers possible Sunday. Muggy in Southeast Asia with scattered thunderstorms; dry and seasonable in Hong Kong.

Europe

	Today High	Today Low/W	Today Cit/F	Tomorrow High	Tomorrow Low/W	Tomorrow Cit/F
Algarve	15/59	12/53 s		17/62	11/52 r	
Amsterdam	6/43	2/35 r		4/39	1/34 sh	
Ankara	7/44	1/34 sh		8/46	0/32 c	
Athens	16/61	10/50 pc		16/61	12/53 pc	
Barcelona	15/59	7/44 pc		14/57	9/48 sh	
Belgrade	6/43	3/37 pc		8/46	4/39 r	
Berlin	1/34	-2/28 r		-2/29	-7/20 sn	
Brussels	6/46	5/41 r		5/46	3/37 r	
Budapest	6/43	2/35 c		7/44	2/35 r	
Copenhagen	-1/31	-6/22 s		-3/27	-9/16 s	
Costa Del Sol	16/61	12/53 c		17/62	11/52 sh	
Dublin	9/48	3/37 pc		5/41	3/37 c	
Edinburgh	3/37	-2/28 c		3/37	-1/31 pc	
Florence	11/52	9/48 sh		14/57	8/46 pc	
Frankfurt	3/37	-5/24 sn		-2/29	-7/20 c	
Geneva	11/52	6/43 sh		8/46	4/39 c	
Helsinki	-9/16	-13/11 c		-7/20	-9/16 sn	
Istanbul	14/57	9/48 c		14/57	10/50 pc	
Las Palmas	21/70	16/61 s		21/70	17/62 pc	
Lisbon	13/55	10/50 r		14/57	8/46 r	
London	11/52	6/43 c		7/44	3/37 sh	
Madrid	16/61	7/44 c		10/50	7/44 sh	
Mallorca	13/55	9/48 pc		12/53	11/52 sh	
Milan	7/44	4/39 r		11/52	4/39 c	
Moscow	-8/22	-10/15 c		-12/11	-12/11 c	
Munich	8/46	4/39 r		7/44	1/34 r	
Nice	16/61	10/50 r		16/61	11/52 c	
Oslo	-5/22	-12/11 pc		-7/20	-13/9 c	
Paris	11/52	5/41 c		8/46	4/39 c	
Prague	4/43	3/37 r		3/37	-2/29 sn	
Reykjavik	3/37	-1/31 c		2/35	0/32 c	
Rome	14/57	8/46 pc		15/61	8/46 pc	
St. Petersburg	-8/18	-10/15 pc		-9/22	-7/20 sn	
Stockholm	-7/20	-12/11 pc		-6/22	-11/13 sf	
Strasbourg	12/53	7/44 sh		8/46	8/43 sh	
Tallinn	-9/16	-11/13 c		-5/22	-9/16 sn	
Venice	8/46	5/41 sh		11/52	5/41 c	
Vienna	6/43	3/37 sn		8/46	4/39 r	
Warsaw	1/34	-4/25 c		-4/25	-9/16 pc	
Zurich	3/48	6/43 sh		8/46	4/39 sh	

Middle East

	Today High	Today Low/W	Today Cit/F	Tomorrow High	Tomorrow Low/W	Tomorrow Cit/F
Abu Dhabi	26/79	12/53 s		26/79	13/55 s	
Beirut	20/68	13/55 pc		21/70	12/53 s	
Cairo	21/70	11/52 s		22/71	11/52 c	
Damascus	14/57	6/43 s		16/61	4/39 s	
Jerusalem	18/61	7/44 s		15/59	5/41 s	
Luxor	27/80	7/44 s		27/80	7/44 s	
Riyadh	23/73	9/48 s		23/73	10/50 s	

North America

	Today High	Today Low/W	Today Cit/F	Tomorrow High	Tomorrow Low/W	Tomorrow Cit/F
Anchorage	-3/27	-12/11 sn		0/16	-14/7 pc	
Atlanta	1/34	-9/16 sf		1/34	-7/20 pc	
Boston	6/43	0/32 r		6/43	-5/22 pc	
Chicago	-9/16	-12/11 sf		-8/18	-13/9 pc	
Dallas	-1/31	-10/15 s		2/36	-4/25 s	
Denver	-2/28	-12/11 pc		3/37	-8/18 pc	
Detroit	-5/22	-9/16 c		-5/22	-12/11 sf	
Honolulu	25/77	21/70 r		28/82	19/66 pc	
Houston	3/37	-7/20 po		6/43	-2/28 pc	
Los Angeles	21/70	9/48 s		22/71	8/46 s	
Miami	26/79	14/57 pc		22/71	13/55 sh	
Minneapolis	-13/9	-18/0 sn		-9/16	-16/6 pc	
Montreal	-1/31	-5/22 sn		-5/24	-14/7 pc	
Nassau	27/80	18/66 s		27/80	18/66 pc	
New York	6/43	-1/31 r		2/35	-4/25 pc	
Orlando	19/66	3/37 sh		17/62	3/37 pc	
Phoenix	16/61	2/35 s		17/62	-4/39 s	
San Fran.	14/57	9/43 s		14/57	4/39 s	
Seattle	7/44	3/36 pc		8/46	2/35 pc	
Toronto	-2/28	-13/9 sn		-11/13	-14/7 pc	
Vancouver	5/41	1/34 c		6/46	-1/31 pc	
Washington	3/37	-3/27 r		1/34	-6/22 pc	

Asia

	Today High	Today Low/W	Today Cit/F	Tomorrow High	Tomorrow Low/W	Tomorrow Cit/F
Bali	33/91	22/71 pc		32/90	22/71 pc	
Bangkok	33/91	21/70 pc		27/80	19/64 c	
Beijing	3/37	-5/22 s		7/44	-4/25 s	
Bombay	31/88	19/64 po		31/88	17/63 s	
Calcutta	24/75	11/52 s		24/75	12/53 s	
Chiang Mai	30/86	18/64 pc		28/82	19/81 c	
Colombo	29/84	20/68 pc		28/82	20/68 pc	
Hanoi	23/73	16/61 pc		21/70	16/58 pc	
Ho Chi Minh	32/88	23/73 t		32/89	22/71 pc	
Hong Kong	21/70	16/61 pc		19/66	14/57 pc	
Islamabad	13/55	4/39 s		20/68	4/39 s	
Jakarta	29/84	24/75 r		29/84	23/73 t	
Karachi	31/88	12/53 s		31/88	11/52 s	
K. Lumpur	32/89	23/73 t		32/89	24/75 t	
K. Yokosuka	29/84	22/71 c		27/80	22/71 c	
Manila	29/84	23/73 pc		29/84	19/66 pc	
New Delhi	24/75	6/43 pc		27/80	5/41 s	
Phnom Penh	29/84	22/71 c		29/84	22/71 c	
Phuket	33/91	21/70 pc		27/80	18/64 c	
Rangoon	33/91	19/66 s		28/82	19/64 c	
Seoul	-3/28	-9/16 pc		2/35	-4/25 pc	
Shanghai	8/46	-1/31 s		8/46	2/35 s	
Singapore	30/86	23/73-c		28/82	23/73 c	
Taipei	18/64	15/58 sh		19/66	13/55 pc	
Tokyo	12/53	-4/25 s		7/44	-3/28 s	
Vientiane	22/71	17/62 pc		22/71	16/61 pc	

Africa

Algiers	19/66	9/48 c		23/73	11/52 s	
Cape Town	23/71	13/55 s		23/73	12/53 s	
Casablanca	17/62	10/50 pc		19/64	10/50 c	
Harare	29/84	8/46 s		29/84	8/46 s	
Lagos	31/88	22/71 s		30/86	22/71 s	
Nairobi	28/82	12/53 s		29/84	13/55 s	
Tunis	22/71	12/53 c		20/68	13/53 pc	

Latin America

Buenos Aires	29/84	21/70 pc		28/82	18/64 pc	
Caracas	30/86	23/73 pc		30/86	23/73 pc	
Lima	22/71	17/62 pc		23/73	17/62 pc	
Mexico City	13/55	3/37 pc		18/64	4/39 pc	
Rio de Janeiro	28/84	23/73 pc		28/82	22/71 pc	
Santiago	30/86	8/46 s		28/82	9/48 s	

Oceania

Auckland	19/66	17/62 c		13/55	11/52 r	
Sydney	24/75	17/62 pc		23/73	15/59 pc	

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hcs, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1996

THE AMERICAS

Guatemala Amnesty Sets Off Outcry

As Congress Prepares to Vote, Some Can't Forgive and Forget

By Larry Rohter
New York Times Service

GUATEMALA CITY — As Guatemala ends a 36-year civil war in which at least 100,000 people were killed, its Congress is poised to approve a sweeping amnesty law that would exempt both soldiers and guerrillas from prosecution for killings, kidnappings and acts of torture committed during the conflict.

The amnesty, one of the broadest adopted by a country emerging from civil trauma, has prompted anguished protests from human rights groups and relatives of the war's victims.

Unlike the process to establish accountability in South Africa, for example, the Guatemalan proposal does not require either government or guerrilla combatants to acknowledge any wrongdoing to avoid prosecution.

As in South Africa and El Salvador, Guatemala's amnesty would establish a truth commission. But the commission will not be allowed to name those who committed atrocities, and it is unlikely to be able to bring criminal charges.

In a sudden convergence of interests among longtime foes, both the Guatemalan Armed Forces and the leftist Guatemalan National Revolutionary Unity strongly support the proposal, which was introduced Monday.

With a final peace accord to end the war scheduled to be signed Dec. 29th, legislators have moved to limit debate and reject substantive amendments. Sessions have been closed to the public in hopes of rushing to a vote as early as Wednesday.

Guatemalan politicians defend the amnesty as the only way to put aside hatred and move toward democracy in a country exhausted and devastated by a long and brutal civil war.

"You can't demand the head of everyone" who has committed human rights abuses, said Mario Flores Ortiz, the majority leader in Guatemala's unicameral Congress. Mr. Flores noted that his father had been killed by guerrillas.

But human rights leaders and relatives of victims complain that the terms of the amnesty will spawn more bitterness, not reconciliation.

"All of us who had nothing to do with this armed conflict but have loved ones who fell victim to it are totally opposed to this extremely broad amnesty," said Karen Fischer, a Guatemalan lawyer who is a leader of the Alliance Against Impunity, a coalition of human-rights, religious and indigenous groups that is leading opposition to the measure. "The attitude is one of erasing the page and starting all over again, and that is simply unacceptable because we cannot tolerate impunity."

The legislation carries out part of an agreement on "reinsertion" of guerrillas into Guatemalan society that was signed in Madrid last Thursday.

Human rights groups complain that virtually every aspect of the bill is designed to let the human rights abusers on both sides off the hook. The definition of "crimes connected to political offenses" is left extremely vague, for instance, and the right to appeal a judge's granting of amnesty is severely limited.

In an apparent concession to critics, the legislation states that Guatemala cannot offer an amnesty for certain crimes that are proscribed by international treaties. But this country has not signed two of the conventions that human rights groups view as especially important — covering war crimes and crimes against humanity.

Helen Mack, a prominent human rights campaigner whose sister Myrna, an anthropologist, was killed in 1990 by a death squad after denouncing abuses against Indians, was especially critical of one provision of the legislation that assumes offenses by soldiers or guerrillas were committed for political reasons unless it can be shown otherwise. "That unjustly pushes the burden of proof on the victim," she said.

It is not clear whether the amnesty law will also apply to a pair of cases that have drawn considerable attention in the United States and have become the focal point of a scandal involving ties between the CIA and paid informants within the Guatemalan armed forces.

In one of the cases, an American innkeeper living in northern Guatemala, Michael DeVine, was abducted and beheaded by a Guatemalan army unit. The other cases involves Efrain Bamaca, a guerrilla commander married to an American lawyer, who is believed to have been tortured and executed by the Guatemalan army after having been captured in combat.

Asked whether the cases would be covered by the amnesty legislation, Mr. Flores equivocated. At first he said the killing of Mr. Devine was clearly "not covered by amnesty," but then quickly amended his remarks to say it would be necessary to "investigate the circumstances under which they were killed."

Officially, the government maintains that the legislation is not an amnesty at all, but a "law of national reconciliation" that "extinguishes criminal responsibility" for political and related offenses committed during the armed conflict. Human rights groups, however, dismiss that terminology as merely a convenient fig leaf.

Scott Sady/The Associated Press

Raul and Vilna, Guatemalan rebel fighters, heading with their child to a soccer match. A treaty to be signed Dec. 29 will end 36 years of civil war.

Chief of Staff Names Aides For Clinton 'Teamwork'

The Associated Press

WASHINGTON — President Bill Clinton's new chief of staff, Erskine Bowles, is putting his mark on the White House with a series of personnel changes, pushing powerful aides aside to make room for his own team.

"I have set about to build a team — and I want to stress that word, team — a team of sharp minds, but not sharp elbows," Mr. Bowles said at a White House news conference.

These were the announced changes:

- Mr. Bowles's two deputy chiefs of staff — John Podesta, a Georgetown University professor and former White House aide, and Sylvia Mathews, chief of staff for Treasury Secretary Robert Rubin.
- Rahm Emanuel, special projects aide at the White House, to a position similar to that held by George Stephanopoulos. But Mr. Emanuel will not carry as much clout as the president's new free-ranging adviser.
- Doug Sosnik, the White House political director, will get another open-ended portfolio as counselor to the president. Mr. Sosnik, who became friendly with Mr. Clinton during campaign trail card games, will expand his reach into the political arena and deal with media relations.
- Jim Steinberg, Secretary of State Warren Christopher's chief of staff, to the No. 2 position at the National Security Council. General Donald Kerrick, an official at the Defense Intelligence Agency, will be deputy assistant to the president and manage daily operations of the National Security Council.
- Victoria Raad, deputy communications director at the White House, to be Mr. Bowles's chief of staff.

"We really have two goals. One is teamwork, the other is accountability," Mr. Bowles said.

In addition, Carol Rasco, a longtime Clinton aide, announced that she was leaving the White House to head the administration's new literacy campaign. Bruce Reed, the president's centrist domestic policy aide, will succeed her.

Mr. Bowles, a North Carolina businessman, agreed last month to succeed Leon Panetta in the second term, but demanded that the deputy chief of staff, Harold Ickes, move out. Mr. Ickes, an old Clinton friend, first learned of his demise in the morning papers.

Mr. Podesta, like Mr. Ickes, will become the top political trouble-shooter in a White House shadowed by scandal. Mr. Podesta did similar work as staff secretary early in the first term.

Ms. Rasco's departure is another clear sign of Mr. Bowles's power. She is a close friend of Hillary Rodham Clinton and was a close aide to Mr. Clinton when he was governor of Arkansas. Mr. Bowles was said from the beginning not to be a fan of Ms. Rasco's, though associates of the domestic policy adviser said she was considering leaving the White House anyway.

Mr. Emanuel succeeds Mr. Stephanopoulos, who is leaving the White House for a career that includes a $3 million book deal, a contract with ABC-TV and teaching at Columbia University.

Mr. Emanuel is skilled in the art of melding politics and policy. But Mr. Stephanopoulos's power came from his intimate relationship with Mr. Clinton, which Mr. Emanuel lacks.

Mr. Steinberg will be deputy to the new national security adviser, Samuel (Sandy) Berger.

Policy Is Policy, a Now-Unemployed Hero Finds

By Sam Howe Verhovek
New York Times Service

HOUSTON — Catch a thief, lose a job.

That was the company policy that led to the dismissal of Wiley Berggren, a 7-Eleven manager in Odessa, Texas, who apprehended a 15-year-old beer thief at his store last week, tied him up with a trash bag and called the police to come pick him up.

The next day, just hours after a pizza lunch at which he was given company awards for increasing sales and controlling overtime, Mr. Berggren was called back and dismissed.

Mr. Berggren, a 7-Eleven employee for eight years, said he acted out of concern for the safety of a female customer, but he violated a strict policy that employees should in no way interfere with anyone stealing merchandise or holding up a store.

The dismissal of Berggren has made him something of a martyr in the West Texas media and on talk-radio and, by his own laconic description, has "put a crimp on my holiday plans."

The dismissal has focused attention on the nonconfrontation policy that many convenience-store chains have put in place and staunchly defend as a way of saving lives.

"If there is a crime, what you're supposed to do is not resist," said Margaret Chabris, a spokeswoman for Southland Corp., which owns or licenses more than 16,000 7-Eleven stores worldwide.

"You don't know if someone has a weapon or what their state of mind is," Ms. Chabris said. "We can replace beer that's stolen. We can replace money. We can't replace somebody's health or their life."

Working in a convenience store, a prime target for hold-ups, can be a deadly profession. It is the second most dangerous line of work in terms of violent crime, after driving a cab, according to a study a few years ago by the National Institute for Occupational Health and Safety, a federal agency.

Mr. Berggren said he understood the company policy but acted instinctively and did what he thought was right.

The Dec. 9 incident involved six 18-can packs of beer valued at $80.94, the police report says. Three juveniles, two boys and a girl, "were in the process of committing what is called a 'beer run,'" Mr. Berggren, 37, a father of two boys, said he saw "these three little hoodlums" yank beer out of the cooler and then make their way to the exit, clearly, he said, with no intention of paying.

He said he yelled to the female customer to get out of their way. Then, he said, one of the boys picked up a bottle of brake fluid, threatening to throw it at somebody, as the three continued to charge for the door. Mr. Berggren said the other boy started swinging at him with one of the packs of beer. To stop him, he said, "I wrapped my arms around him."

Berggren said he called to a clerk to bring him a trash bag. "Then I tied this kid's arms behind his back and I told him not to get away. He said, 'I'm not going anywhere.'"

Southland has a comprehensive program on dealing with crime that was developed after extensive interviews with safety experts and even criminals. Stores are brightly lighted and have large windows, closed-circuit cameras and "activator devices" that allow staff members to notify the police in seconds.

"It is regrettable that we may be losing a valued employee," Ms. Chabris added. "But if you have a policy, you have to stick by it."

Away From Politics

- **The Pentagon agency that buys and operates U.S. spy satellites** has announced plans to launch a reconnaissance satellite this week from Vandenberg Air Force Base in California. It marked the first time the National Reconnaissance Office acknowledged in advance the launching of a spy satellite, said a spokeswoman, Katherine Schneider. The agency has been putting secret "eyes in space" for more than 35 years, she said. *(AP)*

- **Snowbound travelers in the northern Plains** are awaiting word on when the wind-whipped snow that has covered the region for three days might be ending. The wind has been blowing more than 50 miles per hour (80 kilometers) for three days. Schools were closed across much of the region because of dangerous road conditions. All Wyoming roads were reopened but some roads in the Dakotas and Minnesota were still shut. *(AP)*

- **Because 5.8 million of the 75 million doses of flu vaccine** produced this season were not full strength, federal health officials have advised doctors to consider giving another shot to roughly 2 million recipients who are at highest risk from complications of the viral infection. *(NYT)*

- **Two New York teenagers convicted of murdering a clerk** who sold tokens by setting his booth afire were given sentences of 25 years to life. Both Thomas Malik, 19, and Vincent Ellerbe, 18, read statements expressing sympathy for the family of the clerk, Harry Kaufman. But Justice Francis X. Egitto said he had never presided over a trial in which a "more cowardly, depraved act" had been committed. *(NYT)*

POLITICAL NOTES

Who Owns Inaugural Emblem?

WASHINGTON — President Bill Clinton's inaugural emblem, an imposing logo resplendent with an eagle and the Capitol, has been claimed by a Republican.

When organizers of Mr. Clinton's Jan. 20 inauguration did not apply for a trademark for the official inaugural emblem, Brian Harlin did. The 30-year-old Republican, who ran the Dole-Kemp souvenir store on 15th Street NW, now is busy stocking his new store, called Politically Speaking, with racks of T-shirts, banners and buttons bearing the inaugural logo.

"It's crazy," grumbled Larry Rosenbaum, who is opening two "official" souvenir shops this week with the Presidential Inaugural Committee's blessing. "Presidents since Woodrow Wilson have been using this seal."

Not to worry. Mr. Harlin says he has no intention of demanding that the logo — his logo, he contends — be taken off the ceremonial bunting, the official invitations, the banners and letters and thousands of other articles that will be used for events being organized by the Inaugural Committee.

"We're not trying to harm the inauguration. We did it in good faith, and we want to work with them," Mr. Harlin said.

Mr. Clinton's inaugural planners are unimpressed.

"It seems to us that it's fairly simple and unremarkable that the Presidential Inaugural Committee has the right to use the seal and determine how it's used," said David Seldin, a spokesman for the committee. *(WP)*

Mrs. Clinton Aids D.C. Causes

WASHINGTON — Hillary Rodham Clinton is taking a more active role in the District of Columbia and its problems, raising money for a new after-school program and agreeing to donate some of the proceeds from the sale of her book to a hospital, Clinton administration sources said.

The first lady convened a meeting Oct. 21 at the White House of major foundations to round up backing for programs started by a group of local congregations called the Washington Interfaith Network. As a result, the Washington-based Fannie Mae Foundation agreed to contribute $150,000 to start an after-school program at J. O. Wilson Elementary School, in northeast Washington, according to Carol Wheeler, a member of Dunbarton United Methodist Church who is active in the interfaith network and attended the White House meeting.

Mrs. Clinton is to speak Thursday at the unveiling of a $20 million program to provide money for housing and small businesses in the District and a few other cities, her spokeswoman, Marsha Berry, confirmed. On Friday, she will announce at Children's Hospital that she is donating a considerable portion of the proceeds from the sale of her book, "It Takes a Village," to the privately run institution, administration sources said. *(WP)*

Quote / Unquote

George Stephanopoulos, stepping down as a senior adviser to President Bill Clinton, saying reports of his essentiality, and the impression of the job's desirability, are both greatly exaggerated: "It's nice to be flattered," he said, "but I think it was DeGaulle who said the only indispensable men are in graveyards. I'm grateful for everything that's happened over the last four years, but in many ways I wouldn't wish it on anyone." *(NYT)*

U.S.-Korea 'Spy' Saga Ends in Suicide

Compiled by Our Staff From Dispatches

TACOMA, Washington — Evan Hunziker, the American held in North Korea for three months on spying charges before being freed in November, was found dead Wednesday, apparently after committing suicide, the police said.

Mr. Hunziker's body was found in the basement lounge of his family's Tacoma hotel, and he appeared to have died from a single gunshot wound, the police said.

"At this time no note has been found, but it does appear to be a suicide," the police said. "Detectives are still investigating." Mr. Hunziker, 26, had been living in the hotel since his return Nov. 28, they said.

North Korea freed him Nov. 26, three months after he crossed into the Communist-ruled country from China and was detained on charges of spying and illegal entry. Mr. Hunziker, his family and U.S. government officials denied that he was a spy and said he had strayed across the border in a misguided adventure. Mr. Hunziker's family described him as a missionary. Representative Bill Richardson, a New Mexico Democrat who negotiated Mr. Hunziker's release, described him at the time as "a confused young man, good intentions, very idealistic." *(Reuters, AP)*

Miami Banker Is Awarded $10 Million in TV Libel Suit

The Associated Press

MIAMI — A banker was awarded $10 million Wednesday in a libel lawsuit against the ABC television network over a segment on the program "20/20" about a financial deal at the height of the savings-and-loan crisis.

The 1991 report focused on Alan Levan, chief executive of BankAtlantic, and his real estate partners, who accused him of bilking them in deals known as "roll-ups." The transactions typically involved swapping real estate or oil holdings for corporate or bank bonds.

Mr. Levan sought $20 million from the network and the producer, William Willson, charging "20/20" had ruined his reputation.

"This was not a case where we were seeking money. We were seeking an apology and a change in the way broadcast journalism is conducted," Mr. Levan said after the jury announced its decision. ABC's attorney, Floyd Abrams, told jurors that the case was about "the right to criticize important people" and that their decision would dictate the future of serious television journalism.

Mr. Levan's attorney, Alan Fein, said the main question was fairness, not freedom of the press.

Simpson Jury Loses a Face

The Associated Press

SANTA MONICA, California — The judge in the O. J. Simpson civil trial has dismissed an alternate juror who wrote a Christmas card to a friend confiding his role in the case.

The juror, Gilbert Bustillos, was dismissed Tuesday after his friend — a sheriff's deputy — reported receiving the card, according to people close to the case.

"I've warned you about talking about this case," Judge Hiroshi Fujisaki told the remaining jurors as he announced the dismissal.

A 'Crisis' Role for Peace Corps

Washington Post Service

WASHINGTON — For thousands of Americans over the last 35 years, the Peace Corps has been living up to its motto as "the toughest job you'll ever love." At least for some volunteers, it is about to get tougher.

Under its director, Mark Gearan, the agency founded by President John Kennedy in 1961 is creating an offshoot, the Crisis Corps, to help out in short-term international relief efforts.

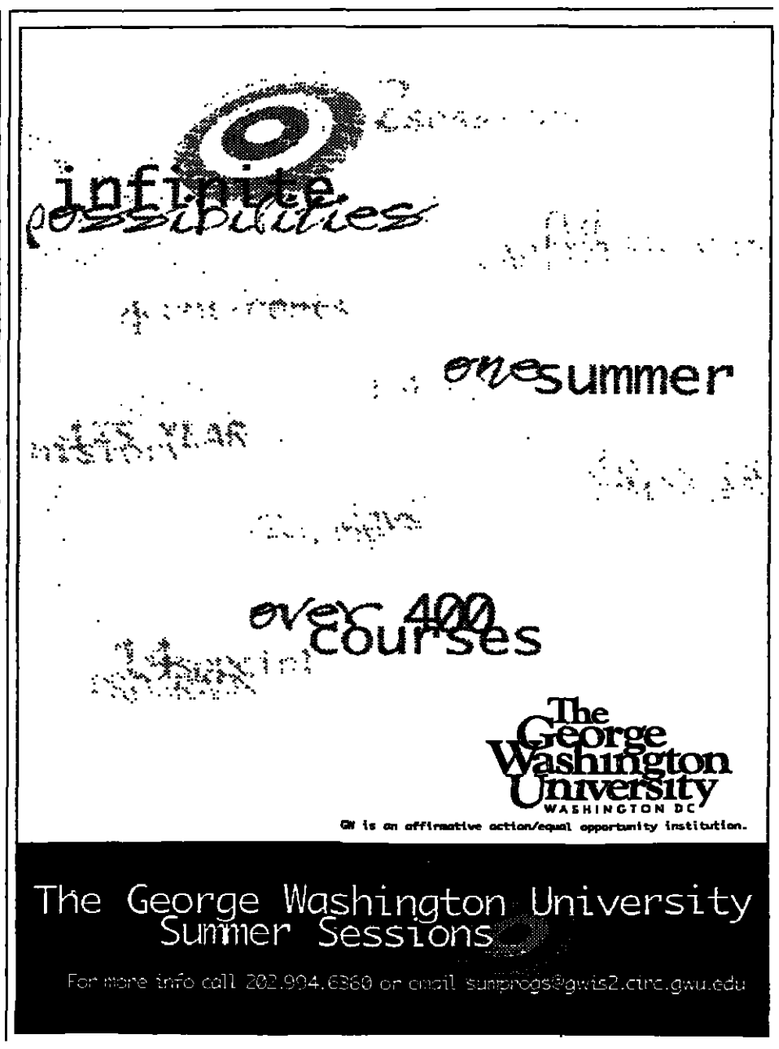
The idea is to use experienced Peace Corps members who are at the end of their two-year terms of service, as well as volunteers who have returned to the United States, to provide emergency help in natural disasters and humanitarian crises when it is safe to do so.

"We're putting the system together now," Mr. Gearan said. The former White House communications director, who took the helm of the Peace Corps 15 months ago, said he hoped to have a "reserve" of up to 100 Crisis Corps volunteers in place by early next year and to send some of them to Guinea and Ivory Coast to work with refugees from Liberia.

The volunteers would not venture into Liberia itself, which has been torn apart by civil war, or into other tumultuous areas. "We have to assure the safety and security of our volunteers," Mr. Gearan said.

The new corps may thus be able to respond more quickly to natural disasters than to man-made crises, he said.

In an experiment earlier this year, volunteers helped rebuild homes on Antigua in the Caribbean after Hurricane Luis, Mr. Gearan said, adding that other international relief groups now are "excited by the prospect" of Peace Corps help.



INTERNATIONAL

Japan Monitors Crisis in Peru After Attack on Embassy

By Nicholas D. Kristof
New York Times Service

TOKYO — The attack on the Japanese ambassador's residence in Lima on Wednesday aroused widespread interest in Japan, and television news programs provided extended coverage and live telephone interviews with hostages and captors alike.

The Japanese have been enthusiastic about Peru in part because of President Alberto Fujimori's own family origins in Japan, and Peru is one of the largest recipients of Japanese foreign aid in the region.

The Japanese government said that it had full confidence in the Peruvian authorities in dealing with the hostage crisis in Lima, but Japanese officials also emphasized that their paramount concern was preserving the lives of the hostages.

"We are thinking first and foremost of the safety of the hostages," Foreign Minister Yukihiko Ikeda told reporters Wednesday evening. Mr. Ikeda was scheduled to fly Thursday morning to Lima.

The Japanese government set up a crisis room to handle the situation, as did several Japanese corporations that have business executives who are being held hostage.

Tens of thousands of Japanese, particularly from the southern island of Okinawa, migrated to Peru beginning with a group of 790 in 1899, in search of a better life. Some 24 Japanese companies also have operations in Peru, many of them encouraged by Mr. Fujimori's visits to Japan to try to drum up trade and investment between the two countries.

Prime Minister Ryutaro Hashimoto, who visited Peru in August and at that time pledged nearly $600 million in loans to Peru, spoke to Mr. Fujimori for 10 minutes Wednesday.

Details of the conversation were not made public, but the Japanese government quoted Mr. Hashimoto as saying: "I trust you completely. I ask you to give us information because we are getting only fragments."

In a sign of Mr. Hashimoto's concern, he took the unusual step of visiting the Foreign Ministry's crisis room. He visited twice and stayed to discuss the situation with Mr. Ikeda, who was also there.

Mr. Ikeda said that security at the Japanese ambassador's residence had not been lax, but he acknowledged that it may not have been perfect.

Japan has been especially concerned with security in Lima since a car bomb destroyed its embassy there in 1993.

Leftist guerrillas in Peru are said to be particularly hostile to Japan because of its support for Mr. Fujimori. One of the captors told a Japanese television interview Wednesday night, in a telephone conversation, that Japanese foreign aid to Peru "helps only a select few, not the Peruvian people as a whole."

Japanese news reports said that the ambassador's residence had a "secret phone line," but that this had been discovered and disconnected by the guerrillas soon after they entered the building.

The guerrillas in the ambassador's residence in Lima allowed the Japanese ambassador, Morihisa Aoki, to speak by telephone with Mr. Ikeda for about 10 minutes, although the content of the conversation was not disclosed. The guerrillas also allowed Mr. Aoki to give two interviews to NHK, the national Japanese television network.

Mr. Aoki sounded calm and collected in the telephone calls, rather more so than the interviewer.

Tupac Rebels Rebounded From Seeming Extinction

Compiled by Our Staff From Dispatches

LIMA — With its violence and poverty, Peru has been plagued for most of its recent history by guerrilla movements that President Alberto Fujimori thought he had all but wiped out.

The seizure of hundreds of hostages by Tupac Amaru guerrillas in the Japanese ambassador's residence was the latest terror-driven twist in a tumultuous history that has made Peruvian rebels among the most feared in the world.

The Cuban-inspired Tupac Amaru Revolutionary Movement, known in Peru by its Spanish-language initials MRTA, took up arms in 1984.

It always has been second in importance to the Shining Path guerrilla movement, and even at its peak may have had fewer than 1,000 fighters.

Unlike the Shining Path, the Tupac Amaru initially had focused on urban guerrilla warfare, although its remnants are based in the jungles of central Peru. The Maoist Shining Path, which once had as many as 10,000 fighters, has concentrated its attacks in the mountainous, Indian-dominated countryside and urban shantytowns.

Mr. Fujimori risked a firestorm of international condemnation in April 1992 when he shut Congress, dismissed nearly half the Supreme Court and seized near-dictatorial powers to crush the rebels and push through radical reforms.

But he correctly gauged the mood of Peruvians, who were fed up with corrupt politics and sickened with fear of the rural killings and urban bombings that had terrorized Latin America's fourth biggest country during the guerrilla heyday of the late 1980s and early 1990s.

His crackdown almost immediately paid off. Two months after his "self-coup," Mr. Fujimori's police captured Victor Polay, leader of the Tupac Amaru Revolutionary Movement.

Mr. Fujimori's maverick style scored another big success with the September 1992 arrest of Abimael Guzman Reynoso, the revolutionary guru who headed the Shining Path, a far more prominent and bloodthirsty group.

The arrests, and claims that the two movements virtually collapsed in their aftermath, briefly sent Mr. Fujimori's popularity soaring and brought a flood of foreign investment into Peru. Recent months, however, have brought renewed rebel attacks, economic problems and doubts over Mr. Fujimori's claims to have ended the rebel threat. *(Reuters, AP)*

Aid Teams Join Red Cross In Pullout From Chechnya

Reuters

NAZRAN, Russia — Most international aid agencies were pulling out of the separatist republic of Chechnya on Wednesday after gunmen killed six foreign aid workers.

The six were killed by masked gunmen as they were sleeping Tuesday in a Red Cross hospital compound in the village of Novye Atagi.

They came from Norway, the Netherlands, Canada, Spain and New Zealand. A seventh worker, a Swiss who ran the project, was wounded.

"We have suspended our activities in Chechnya in solidarity with our ICRC colleagues," Aleth Jaurou from the North Caucasus mission of Doctors Without Borders said in Nazran, capital of the Ingushetia region that borders Chechnya.

The workers of Doctors Without Borders were among the first to land in Chechnya after Russia sent troops there in December 1994 to quell the region's drive for independence.

The fighting devastated the southern province, and tens of thousands of people were killed in 21 months of fighting.

Mr. Jaurou could not say how long the suspension would last.

The International Committee of the Red Cross said Tuesday it was withdrawing all its international staff, leaving local staff to look after the hospital in Novye Atagi and other Chechnya relief offices. The United Nations High Commissioner for Refugees and the Paris-based medical charity Doctors of the World also scaled back their work.

Interfax news agency quoted Russia's deputy interior minister, Vladimir Kolesnikov, as saying that the Russian police had stepped up efforts to investigate the murders.

"We have good reason to believe that in the near future it will become clear who committed this crime," he said in Moscow.

The victims were identified as Hans Elkerbout of the Netherlands, Nancy Malloy of Canada, Gunnhild Myklebust and Ingeborg Foss of Norway, Cheryl Thayer of New Zealand, and Fernanda Calado of Spain.

It was not clear how the Russian police could investigate events in Chechnya. Most Russian troops have left the region under a peace deal, and the rebels control the region.

The separatist leaders have vowed to investigate the killings and to extradite the gunmen to the countries from where the murdered workers came.

But an incident Saturday clearly showed the limits of their powers in Chechnya.

Fighters loyal to the field commander Salman Raduyev seized 21 Russian policemen who tried to prevent them from entering the ethnic republic of Dagestan bordering Chechnya.

Top separatist officials, who would like to end the incident that could upset a fragile peace process and threaten local elections scheduled for Jan. 27, have promised to force Mr. Raduyev to release all his hostages unconditionally.

But Mr. Raduyev said Tuesday that he wanted apologies from Russia for not letting him into Dagestan and that he could kill the hostages if anyone tried to free them by force.

A senior Kremlin official, Boris Berezovsky, is in Chechnya trying to speed up the release of the policemen.

Agence France-Presse

Peruvian police setting up their positions Wednesday for a possible assault on the Japanese Embassy in Lima.

HOSTAGES: *Defiant Peru Rebels Issue Death Threats on Envoys*

Continued from Page 1

Japan was chosen as a target "due to the constant meddling of the Japanese government in Peru," one rebel spokesman said.

Japan's foreign minister, Yukihiko Ikeda, defended security procedures at the compound and said he would fly to Lima on Thursday to help resolve the standoff.

Governments around the world urged Peru to do everything in its power to protect the hostages and not use force to flush out the rebels.

Ambassadors from Austria, Bolivia, Brazil, Canada, Cuba, Guatemala, Honduras, Germany, Greece, Japan, Malaysia, Panama, South Korea, Spain and Venezuela were confirmed as being among the hostages. The U.S. ambassador, Dennis Jett, was at the reception but left before the attack, the U.S. State Department said.

The episode began around 8 P.M. Tuesday when heavily armed rebels attacked the building, firing a rocket from outside, and around 20 rebels swarmed inside after blowing a hole in an outside wall, according to witnesses.

Some reports said guerrillas disguised as waiters had joined the attack from the inside.

"I heard a loud explosion, then gunfire," said Mieko Torii, who was among those released. "We were told to get down and not move. There was a lot of yelling."

A BBC correspondent who was held and released, Sally Bowen, said she had been eating and drinking in a marquee on the lawn when the explosions occurred.

"Moments later, heavy gunfire had us all flat out on the ground," she said. "The guerrillas stalked around the residence grounds threatening us: 'Don't lift your heads up or you will be shot.'"

The Lima Stock Market suspended trading in midsession Wednesday after heavy declines caused by the standoff. *(Reuters, AP)*

RED CROSS: *Risks to Workers Increase*

Continued from Page 1

a Red Cross doctor and his staff remained at the main hospital in Kigali, often working in ankle-deep blood.

Though it has pulled out of Burundi, the Red Cross continues to operate in Afghanistan, where one of its workers was killed in 1992.

It has restarted operations in Liberia and Sierra Leone, which have been bedeviled by lawless guerrilla groups.

Founded in 1863, the International Committee of the Red Cross, better known around the world simply as the ICRC, is a private organization underwritten largely by governments. The United States is the second largest donor, after Switzerland, providing the Red Cross with the equivalent of nearly $112 million out its 1995 budget of about $548 million, a spokesman, Peter Iseli, said.

Local Red Cross organizations around the world, such as the American Red Cross, are part of a worldwide federation. There is no operational link between the International Committee of the Red Cross and the various national Red Cross organizations.

One of the international organization's main tasks is trying to get all parties to a conflict to abide by the rules of war laid down by the Geneva conventions.

"We are not a peace organization," Pierre Gassmann, a career delegate, once said. It does not work for the elimination of war, but for its humane conduct. It is, Mr. Gassmann acknowledged, a concept ridiculed by many.

In a marked departure from its traditional role of seeking the humane use of weapons, and only after considerable internal argument, the Red Cross embarked last year on a campaign to ban land mines.

Altogether, the organization has some 1,000 delegates working in 45 countries. The organization is constantly assessing the risks faced in war zones. But it realizes it is almost a futile task.

Bonn to Coordinate Fight on Scientology

The Associated Press

BONN — The German government said Wednesday that it would set up a central office to coordinate its fight against the Church of Scientology and keep people linked to the group out of certain public jobs.

Chancellor Helmut Kohl announced the move in a written statement after meeting governors of Germany's 16 states, some of whom have been pressing for tougher measures against the U.S.-based group.

Federal and state governments will work together to try to keep companies and people with links to Scientology away from jobs that involving teaching and counseling, the statement said.

The Church of Scientology in Germany said it was examining the statement and would issue a comment at another time.

CLINTON: *Fund-Raiser Was Given Role as a Trade Adviser*

Continued from Page 1

cluded on the internal list, several officials noticed that the White House had exceeded the limit of 15 members who could be appointed to the Commission on United States-Pacific Trade and Investment Policy. So on Jan. 31, President Clinton signed Executive Order 12987, a one-paragraph declaration that increased the size of the commission to "up to 20" members.

By all accounts, Mr. Trie has not been a very active member of the commission, which has been sharply divided as it prepares to issue its final report.

The commission was created by Senator Jeff Bingaman, Democrat of New Mexico, who has had a long interest in America's challenges in trading with Asia. It is charged with reporting to Mr. Clinton on steps the United States could take to "achieve a significant opening of Japan, China and other Asian and Pacific markets to U.S. business."

"I can't shed any light on the essential question of how the members were appointed," Mr. Bingaman said Tuesday.

"We made recommendations about who the members should be. I was happy that some we recommended were chosen. But I did not know some of the members, including Mr. Trie."

The commission is a curious mixture of academics, business executives and former officials with considerable knowledge of Asia and its markets, and some who appear to have only a cursory familiarity with those issues.

Several officials involved in the commission's creation expressed frustration over the last few months that the White House had included several political appointees in place of academics and others who were considered more knowledgeable by trade experts in the government.

Commission members are not paid, though their expenses are reimbursed. Mr. Clinton is not bound by any of their recommendations. Some officials suggested, however, that Mr. Trie may have hoped that his title as a member of a presidential advisory commission could aid his status in Asia, where he has been trying to close several business deals.

■ Questions on Donations

Peter Baker and Ruth Marcus of The Washington Post reported:

Investigators hired by President Clinton's legal defense fund suspect that many contributions collected by Mr. Trie this year were phony because the purported donors appear unable to afford $1,000 gifts, according to people familiar with the inquiry.

Some contributors were students. Some were waiters. Many of them lived in modest housing and had no checking accounts, investigators discovered. In several cases, the reported donors, members of a Buddhist group, admitted that they did not give their own money.

Yet despite the investigators' report and the decision to return hundreds of thousands of dollars in contributions from the Buddhists, the White House maintained its ties to Mr. Trie. In the midst of the inquiry, he was appointed to a trade commission. Just last Friday, he was invited to a holiday dinner at the White House.

Clinton aides also failed to bring concerns about Mr. Trie to the Democratic National Committee, where he served on the national finance board, until October, after his name had surfaced in news accounts about campaign fund-raising. The deputy chief of staff, Harold Ickes, who oversees the committee for the White House, said through a spokesman that he did not realize until then that Mr. Trie was a Democratic fund-raiser.

Mr. Clinton on Tuesday described Mr. Trie as a long-time friend but said he did not know about Mr. Trie's extensive efforts to raise almost $640,000 to help pay legal bills until after Hillary Rodham Clinton and Mr. Ickes were informed in April.

"I supported the decision" to return the money, Mr. Clinton said during a brief photo opportunity. "In all these fund-raising endeavors, the rule should be that all the checks should be checked to make sure that not only as fact but even any appearance of impropriety should be removed."

Mr. Clinton's legal bills total about $2.3 million. His defense fund has raised about $1.2 million.

Officials denied any relationship between Mr. Trie's appointment to the Commission on United States-Pacific Trade and Investment Policy and his fund-raising. Although his selection was a "result of the president's friendship," a White House special counsel, Lanny Davis, said, "we're absolutely convinced here that there was no connection between the appointment and the contributions."

Mr. Trie, who has visited the White House at least a dozen times, was among 250 guests at a Christmas dinner Friday night and chatted briefly with Mr. Clinton in the receiving line. The White House press secretary, Michael McCurry, described it as a "very brief conversation" that was "personal in nature."

RATES: *Telephone Challenge*

Continued from Page 1

set rates not only for U.S. carriers, but for all carriers around the world," said a lawyer who represents several South American phone firms and spoke on condition of anonymity. "That clearly exceeds their statutory authority."

Distance is largely meaningless for today's telecommunications technology, which uses high-capacity satellites and fiber-optic cable.

While prices have fallen quickly in the United States to reflect these new efficiencies as well as new competition, they have often remained high for international calling.

At issue are "settlement rates" that each U.S. long-distance company negotiates with each nation to which it sends calls.

Two countries reconcile their phone traffic like this: At the end of each month, they figure out which one received more minutes of calls from the other. They take the extra minutes and multiply them by the agreed-upon per-minute rate. The company that made more calls sends the other a check for that amount.

For example, Mexico got $875.7 million in 1995 from U.S. long-distance companies, because far more callers dial Mexico from the United States than the other way around.

Whatever the country being called, U.S. callers tend to dial out more often than their foreign counterparts dial in. That is largely because rates are lower and people in the United States tend to have more income and use the telephone more often.

That imbalance means that U.S. companies are net payers, to the tune of $5.5 billion.

U.S. Drafts Ways to Snare Bosnians Indicted in War Crimes

By Steven Erlanger
New York Times Service

WASHINGTON — In preparations for making a final decision, the Clinton administration has asked its national security team to draw up detailed military options to capture people in the former Yugoslavia indicted as war criminals and bring them to justice, senior American officials said Wednesday.

With the American election over and the decision made to keep American and other NATO-led troops in Bosnia for another 18 months, the officials say, a much stronger argument is being made for active steps to punish people indicted as war criminals in the interest of justice, international credibility and future ethnic reconciliation in Bosnia. Given long-standing objections from the Pentagon and other countries in the NATO-led force, Washington is planning the organization of a special paramilitary police force that would make the arrests, given the obvious reluctance of the parties themselves to hand over their own people. The force would work under the auspices and authority of the War Crimes Tribunal.

A White House meeting on Monday, bringing together deputy secretaries of the various agencies involved in Bosnia policy, agreed to draw up the options as a "high priority," the officials said, so a decision could be made by Mr. Clinton on whether to go ahead with what would be a risky intervention.

The NATO-led force, now known as the Stabilization Force, would provide back-up support and secure the area to prevent attacks on the police, the officials say. U.S. officials say that agreement by all the countries taking part in the force is not necessary.

■ Defying Court, Serbian Panel Reverses Poll

Thousands of people marched Wednesday in renewed protests against election-rigging in Serbia as the electoral commission in one town, ignoring a court order, reversed an opposition victory, Reuters reported from Belgrade.

The electoral commission in Smederevska Palanka confirmed the governing Socialists as winners of local elections in November, an independent Belgrade radio station reported.

Jean-Pierre Guerlain, Perfume Czar, Is Dead at 92

By Roger Cohen
New York Times Service

PARIS — Jean-Pierre Guerlain, 92, who oversaw the international expansion of the perfume company bearing his name, has died in Paris. His family said he died of natural causes Dec. 12.

Mr. Guerlain was not a creator of any of the scents that have made Guerlain famous. "Shalimar," "L'Heure Bleue" and "Mitsouko" were the work of his uncle, Jacques Guerlain; more recent perfumes, including "Samsara," were created by his nephew, Jean-Paul Guerlain.

But Mr. Guerlain was long a backbone of the company's business strategy, first as an associate director and later as its chief executive. He pushed Guerlain toward developing its products outside France while at the same time insisting that the exclusive image of its scents be maintained through a restrictive distribution policy.

Outside France, the company has tried to maintain what it calls a "very selective sales network."

Born Feb. 2, 1905, Mr. Guerlain earned a doctorate in science at the University of Paris. He joined Guerlain in 1933 as an associate director, a position he held until 1970, when he became chief executive of Guerlain.

Quentin Bell, 86, Child of 'Bloomsbury'

LONDON (AP) — Quentin Bell, 86, artist, critic and distinguished biographer of his aunt, Virginia Woolf, died Monday at his home in Firle, 50 miles (80 kilometers) south of London, his family said. An obituary published Wednesday in The Guardian said he suffered a heart attack.

Mr. Bell was the son of Miss Woolf's sister Vanessa and the art critic Clive Bell. Mr. Bell was born into the fabled "Bloomsbury set," the bohemian, intellectual coterie that included the economist John Meynard Keynes, the writer E.M. Forster, the biographer Lytton Strachey and the painter Duncan Grant, father of Mr. Bell's half-sister, Angelica.

"I loved my parents, and I had more than the usual number to love," Mr. Bell once remarked, referring to Mr. Grant and the art critic Roger Fry, both of whom had affairs with his mother. Mr. Fry was a particular influence, and Mr. Bell fondly remembered him as the wisest and kindest of the group.

At the urging of his uncle Leonard Woolf, Mr. Bell wrote the two-volume "Virginia Woolf: A Biography," published in 1972. He took a tolerant if clear-eyed view of his famous relations and their friends. Mr. Bell's biography disclosed that Virginia Woolf had been sexually molested by her brothers, though he rejected later assertions by other scholars that she had been raped.

In an interview with The Daily Telegraph in 1995, Mr. Bell said Mr. Fry was the Bloomsbury figure he would most like to revisit. "And I suppose it would be very amusing to see Virginia — to say: 'Well now, look what I've written about you,' and then remind her that she once told me I would always be ignorant and illiterate."

Francesco Siciliani, 85, Discoverer of Callas

ROME (AFP) — Francesco Siciliani, 85, the Italian musician and conductor who discovered Maria Callas, died in a Rome hospital Tuesday, friends announced.

He had led the most prestigious Italian orchestras, including La Scala, Saint Cecilia Academy in Rome, and La Fenice in Venice.

EUROPE

Russian Defense Chief Jolts NATO With a Warning

By William Drozdiak
Washington Post Service

BRUSSELS — Defense Minister Igor Rodionov of Russia delivered a harsh warning Wednesday about the impact of NATO's future expansion eastward, declaring that it would doom arms-control treaties with the West and resurrect zones of confrontation in Europe.

Making his first visit to the North Atlantic Treaty Organization's headquarters, Mr. Rodionov dismissed Western promises not to deploy nuclear weapons in newly admitted member countries in Eastern Europe as "abstract words" that carried no meaning. He said moving NATO's domain to Russia's doorstep would "upset the strategic balance on the continent and restore a Cold War situation in Europe that would force Russia to take countermeasures."

The hostile assessment surprised many of NATO's 16 defense ministers, who listened with dismay after expecting a more cooperative attitude. It came only a week after Foreign Minister Yevgeni Primakov agreed to open talks on a charter that would set out a new security partnership between NATO and Russia for the 21st century.

But Mr. Rodionov's tough words dashed any hopes among his Western counterparts that Moscow was prepared to drop its resistance to NATO plans to include some Eastern countries by 1999. Alliance diplomats described his presentation as reminiscent of Soviet-style rhetoric that could presage a growth of nationalistic voices in Russia's hierarchy.

"Russia has made huge sacrifices in removing its troops and weapons from the East, yet NATO's only response is enlargement of its military alliance to our border," Mr. Rodionov said at a press conference. "If this happens, it would remove our buffer zone and create dangerous new conditions that would demand action on our part."

He said one of the first casualties of renewed tensions between Russia and the West would be the strategic arms treaty awaiting ratification by the Russian and U.S. legislatures. He contended that negotiations on other arms-control treaties would become stalled and the difficult process of reconciliation between East and West would be halted.

Mr. Rodionov had been expected to give his blessing to a permanent military exchange of liaison officers between NATO and Russian at major command levels. Russia already has stationed a three-star general at NATO military headquarters near Mons, Belgium. The general directs the Russian brigade serving with the NATO-led international peacekeeping force in Bosnia.

But Mr. Rodionov said any further military exchanges would hinge on talks on a charter between Russia and NATO, which are expected to begin Jan. 19 in Moscow. Mr. Primakov and the NATO secretary-general, Javier Solana Madariaga, will conduct the negotiations.

Mr. Rodionov said Russia wanted the charter to develop substantive areas of cooperation, including procedures to cope with future military crises, political conflicts, nuclear safety issues, terrorism, drugs and the conversion of defense industries.

Visibly distressed by Mr. Rodionov's hard line, Mr. Solana sought to project a more positive outlook for NATO-Russian relations. He noted that Russia's involvement in the NATO-led peacekeeping force in Bosnia over the past year had been hailed by diplomats on both sides as a great success.

But Mr. Rodionov's unrelenting opposition to NATO's plans to incorporate such nations as Poland, Hungary and the Czech Republic over the next three years firmly demonstrated that Russia remains deeply alarmed at possible encirclement by hostile forces.

In the east, Russia faces an economically ascendant China that still has not resolved all border disputes with Moscow. In the south, it confronts an array of enemies from Chechen secessionists to Taleban Islamic radicals who have taken power in Afghanistan.

As he spelled out these dangers to the NATO ministers, Mr. Rodionov said Russia had been counting on closer cooperation with the West.

"I don't believe that NATO is aggressive right now toward Russia," he said. "But the possibility may arise that there will be pressure to use its military power to achieve specific goals, and so we will end up again in a Cold War situation."

Mr. Rodionov, 60, is a respected army general who was appointed six months ago to replace the unpopular Pavel Grachev, a close confidant of President Boris Yeltsin who was saddled with much of the blame for Moscow's disastrous conduct of the conflict in Chechnya.

At the behest of Mr. Yeltsin, Mr. Rodionov resigned his command Dec. 1 and stopped wearing a uniform. Mr. Yeltsin said that as part of Russia's moves toward democracy, it was necessary that the Defense Ministry be headed by a civilian.

Upon assuming his post, Mr. Rodionov insisted his priority would be comprehensive military reforms starting with the creation of a professional army.

But despite this emphasis, he declared that Russia would not hesitate as a major European power to defend its strategic interests abroad. Within Russia's government, he is considered of the most vehement opponents of NATO enlargement. He recently suggested that Moscow might respond by targeting nuclear missiles on East European countries that joined the Western alliance.

EU Allows Entry Of Altered Corn

Compiled by Our Staff From Dispatches

BRUSSELS — Ending months of indecision, the European Commission on Wednesday approved imports of genetically modified U.S. corn into the 15-nation European Union.

The decision sparked an immediate threat of legal action by the environmental group Greenpeace because of public health concerns.

The long-waited ruling cleared the way for the sale of U.S. corn shipments valued at $500 million that was scheduled for 1996.

That sale had been in doubt because gene-modified corn, though making up only 0.6 percent of the corn crop this year in the United States, had not been separated from conventional corn and is apparently indistinguishable from it.

Peter Jorgensen, a spokesman for the commission, said the decision to allow gene-modified corn imports "will come into effect immediately."

The decision averted a potentially bruising trade war with the United States. But it immediately invited criticism from Greenpeace.

"They made a big mistake," said Louise Gale, the Greenpeace spokesperson in Brussels. "We are going to call on the member states to stop this from coming into their countries and to take the commission to court."

Greenpeace and other opponents had urged the commission to ban corn from the EU that has been genetically altered. The process makes corn more resistant to crop disease.

In its decision, the commission also allowed the growing of gene-modified corn to be grown in the EU. It said it has consulted three scientific committees, all of which concluded that genetically modified corn was safe.

The panels assessed the corn's safety last summer, after the environment ministers of the EU countries expressed concern about consumer confidence in corn.

They studied the matter at the height of a public health scare in Europe over mad cow disease in Britain that led London's partners to ban worldwide sales of British beef. That ban still stands. *(AP, Reuters)*

Call a Truce, Clinton Asks IRA Again

By Todd S. Purdum
New York Times Service

WASHINGTON — President Bill Clinton and Prime Minister John Bruton of Ireland have renewed their calls for the Irish Republican Army to resume its cease-fire immediately, saying the move would at last pave the way for the IRA's political arm, Sinn Fein, to join peace talks on the future of Northern Ireland.

"I want to reiterate my call for the IRA to institute a cease-fire in words as well as deeds," Mr. Clinton said as he began an Oval Office visit with Mr. Bruton on Tuesday morning. "If they do that, I am convinced that Sinn Fein will be invited to participate in the talks."

But Mr. Clinton was carefully neutral on the central question of how quickly after a cease-fire Sinn Fein would be allowed to join the talks.

The Irish government favors speedy access, while Prime Minister John Major of Britain says his country's intelligence agencies must first determine whether any cease-fire is genuine and intended to last.

Mr. Clinton said only that he believed Sinn Fein "would be invited to participate in the talks fairly soon" after a cease-fire.

A senior U.S. official said later that "a publicly articulated position on our part is not in the best interests of moving the process forward."

The IRA broke a 17-month unilateral cease-fire in February, because, it said, London was refusing to allow Sinn Fein a voice in all-party political talks the British-ruled province of Northern Ireland.

For his part, Mr. Bruton said it would be better for the IRA to agree to a cease-fire now than to await the outcome of British elections, which are expected early next year.

"We believe there is a major window of opportunity now," he said.

Mr. Bruton said an immediate cease-fire would help set in place a British policy on Sinn Fein that could then have a reasonable chance of surviving if Mr. Major was defeated at the hands of the Labour Party.

■ Reaction to Comments

Mr. Clinton's comments about a role for the Sinn Fein in the peace talks were tossed back and forth between Prime Minister Major and the Sinn Fein leader, Gerry Adams, on Wednesday, The Associated Press reported from Belfast.

Mr. Adams said Mr. Clinton "made it clear that an inclusive process is required, and that Sinn Fein should be involved in talks."

But Mr. Major, on a one-day tour of Northern Ireland, said Mr. Clinton agreed with Mr. Britain that the IRA would need to offer deeds — such as a commitment to disarm — in addition to a cease-fire statement.

Olga Lebrador/The Associated Press

BOTCHED GETAWAY — Emergency workers examining a police car in which two policewomen were killed in Cordoba, Spain, on Wednesday as they pursued four suspects in a bank robbery. The suspects, two of whom were wounded, were later captured by police.

Tupac Rebels Rebounded From Seeming Extinction

BRIEFLY EUROPE

Italian Senate Adopts Budget

ROME — Italy's Senate approved the center-left government's 1997 austerity budget Wednesday, drawn up in a last bid to prepare for European economic and monetary union. The package, which aims to slice 62.5 trillion lire ($41 billion) from next year's projected deficit, now goes to the lower house for ratification.

This second reading is due to be completed by Monday, and if no changes are introduced, the budget will become law.

Prime Minister Romano Prodi told the Senate that once the bill had been ratified, his government would enter a new phase.

"When we have finished with the budget we must begin the second period of this government, on the one hand looking to reform the institutions and public administration as well as introduce innovations to the justice system," he said. "On the other hand, we have to work on the economic recovery." *(Reuters)*

Corsican Separatists Charged

PARIS — An magistrate charged a Corsican nationalist leader, Francois Santoni, his girlfriend and five other persons Wednesday in what judicial sources said was a heavy blow against separatism on the island.

Mr. Santoni, 36, head of A Cumcolta, the legal arm of a faction of the banned terrorist Corsican National Liberation Front, known as the FLNC-Canal Historique, surrendered Monday after several months in hiding.

He turned himself in after his girlfriend, Marie-Helene Mattei, a lawyer, was arrested in connection with what the FLNC-Canal Historique calls a "revolutionary tax."

Mr. Santoni and Ms. Mattei were charged with terrorism, attempted extortion, conspiracy to blow up property, criminal association and reconstitution of a banned organization. The charges follow the destruction of the caretaker's house at the Sperone golf resort in Corsica, allegedly after the club's management refused to pay a "revolutionary tax" of 4 million francs ($770,000). *(AFP)*

Bonn Speaker Defends Travel

BONN — Rita Suessmuth, the speaker of the German Parliament, denied Wednesday newspaper allegations that she had made personal use of official government flights.

The mass-circulation Bild, which earlier accused her of making personal trips to Switzerland in special armed forces planes, said Wednesday she made 13 such flights in 1995 and 1996. Her daughter lives in Switzerland, Bild pointed out. It gave details of the flights, and noted that they nearly always took place on weekends.

In a statement issued by the Bundestag press office, the Christian Democrat politician said she had made nine flights to Switzerland in 1995 and 1996 using government planes "for exclusively official reasons."

Mrs. Suessmuth had denied earlier that she made private use of official planes. "I have privately financed my private trips to Switzerland," she said in television interviews Tuesday. *(AFP)*

Prague Senate Reopens to Test

PRAGUE — After a hiatus of 57 years, the Czech Senate opened its first session Wednesday in what is likely to become another test for the minority government coalition of Prime Minister Vaclav Klaus.

The coalition has a comfortable majority of 52 senators in the 81-seat upper chamber, but seems unable to produce a generally accepted candidate for Senate speaker.

Petr Pithart, a former Czech prime minister with a dissident past, is a favorite in the first round of voting. His candidacy is strongly opposed by 32 senators of the Civic Democratic Party of Mr. Klaus. Michael Zantovsky, Czech ambassador to the United States, is among those seen as a possible compromise. *(AP)*

French Official Blames 'U.S. Circles' for Uproar

Reuters

PARIS — Foreign Minister Herve de Charette revived a dispute Wednesday over a purported snub to Secretary of State Warren Christopher, saying it had been created and manipulated by "American circles."

"It was a grotesque incident but it was entirely manipulated by American circles who were at its origin," a furious Mr. de Charette told Parliament after a senior opposition politician poured scorn on him. The minister did not elaborate.

The dispute arose when, U.S. officials say, Mr. de Charette walked out during a toast in honor of Mr. Christopher at a NATO function in Brussels this month.

Nicholas Burns, the State Department spokesman, reasserted Wednesday, "It was a snub."

The French minister's office said he had not meant to snub Mr. Christopher. Mr. de Charette and Mr. Christopher have met and put the matter behind them. But Paul Quiles, a Socialist and former defense minister, reopened the wound when he told Mr. de Charette in Parliament that his prestige came out "in tatters from this ridiculous incident."

He also said that, under Mr. de Charette's leadership, France had become an object of ridicule.

Red Cross Says It Knew Of Nazi Death Camps

By Irvin Molotsky
New York Times Service

WASHINGTON — The International Committee of the Red Cross acknowledged Wednesday that it knew of the persecution of Jews in Nazi concentration camps during World War II, but said that it was powerless to speak out against it.

The acknowledgment came during a ceremony in which the International Red Cross released for the first time 25,000 pages of its wartime files, turning microfilm copies of them over to the United States Holocaust Memorial Museum.

No one at the museum has had a chance to study the material, but Radu Iaonid, the museum's specialist on Holocaust survivors, said that documents that he had skimmed over disclosed that the Red Cross, which is supposed to be neutral, had rescued thousands of Jews in Hungary and Romania and had assisted other Jews at a concentration camp in Ravensbruck, Germany.

But for the most part, the Red Cross assistance came late in the war and was modest when compared to the millions of people who died in the camps.

When asked whether the Red Cross shared responsibility, Georges Willemin, its archivist, said, "The International Committee of the Red Cross has shared responsibility for the silence of the world community." When pressed, he added, "Could we have gone further? Could we have done more? I don't know."

The documents are in two groups, one dealing with Jewish prisoners and the other with hostages and political detainees. "Both these groups of files," Mr. Willemin said, "contain numerous first-hand accounts and reports on the persecution of Jews and on political detention in general between 1939 and 1945."

Asked why it had taken more than 50 years for the information to be revealed, Mr. Willemin replied, "Because it takes time to face your own history."

Miles Lerman, chairman of the Holocaust Museum, said that lives would have been saved if the Red Cross had spoken out during the war, but he cautioned against condemning it.

"There is no question about it," he said. "People, good people, decided to look the other way, including people in the Red Cross and in Britain and the United States. Always when people speak out, lives are saved. I wouldn't describe them as villains but as part of the world that found it more convenient to remain silent."

ASIA/PACIFIC

EU Prepares to Suspend Burma Trade Privileges

Compiled by Our Staff From Dispatches

BRUSSELS — The European Commission called Wednesday for Burma to be stripped of trade privileges accorded by the European Union after finding evidence of the widespread use of forced labor there.

The EU's executive arm unanimously approved a recommendation that Burma's membership of the Generalized System of Preferences, which accords developing countries preferential tariffs on their exports to the European Union, be suspended indefinitely.

The decision has to be ratified by EU foreign ministers. But this is seen as a formality in light of the Burmese regime's continued refusal to to improve its record on human and democratic rights.

The commission said it had been unable to fully study conditions in Burma because the military government would not cooperate. But it added that it had enough evidence of forced labor to recommend an indefinite lifting of trade concessions for Burma.

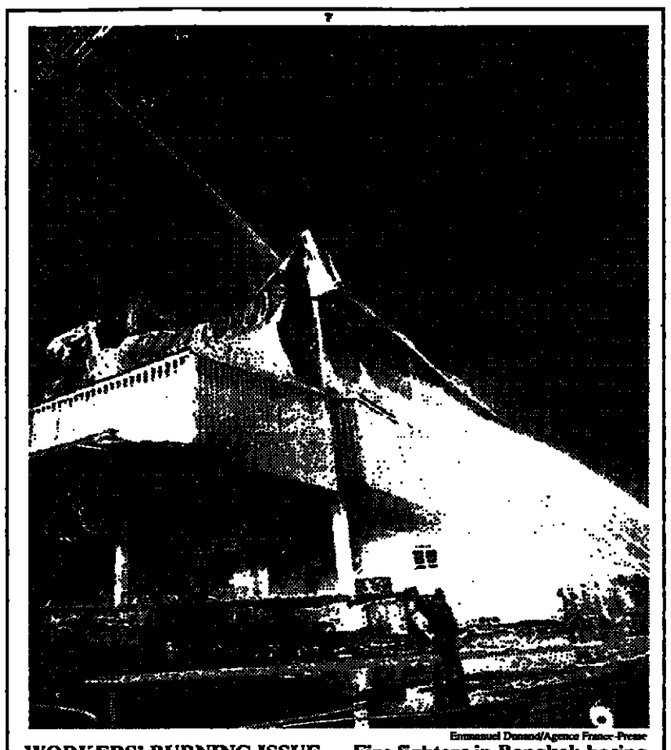
"The commission proposes this measure remain in effect until the practice of forced labor is abolished," it said in a statement. EU nations have ended military cooperation, shrunk diplomatic missions and refused to negotiate any new trade agreements with the country. But to date, they have resisted an all-out trade embargo.

In October, the ministers banned Burma's military rulers from visiting EU countries and warned that a package of largely symbolic sanctions could be strengthened if there were any deterioration in the human rights situation. In a statement, the ministers specifically referred to the practice of forced labor. Any EU state that wanted to oppose the suspension from the Generalized System of Preferences would thus have to do so on political grounds rather than arguing that the allegations had not been proven.

The commission's move became inevitable last month when Burma refused entry to an independent committee of experts sent to investigate allegations that people were forced to work on government and military projects.

The visit was intended to check elements of testimony on forced labor accumulated during public hearings in Brussels this summer. The hearings were held after European trade union organizations filed 42 specific complaints.

The International Congress of Free Trade Unions in Brussels said there were 800,000 Burmese currently involved in various forms of forced labor, accounting for 10 percent of the country's output. *(AFP, AP)*



Emmanuel Dunand/Agence France-Presse

WORKERS' BURNING ISSUE — Fire fighters in Bangkok hosing down a blaze that destroyed Sanyo Electric's Thai headquarters after workers set it alight to protest a lowered annual bonus.

Jiang Pledges Autonomy To New Hong Kong Chief

Compiled by Our Staff From Dispatches

BEIJING — President Jiang Zemin greeted Hong Kong's future leader, Tung Chee-hwa, on Wednesday with a pledge of support and a vow not to tread on Hong Kong's right to autonomy after the British colony returns to Beijing's rule.

The appointment of the shipping tycoon who will lead Hong Kong as of July 1 year marked the dawn of new age, Mr. Jiang said during a meeting with Mr. Tung in the Great Hall of the People.

"Of course, I will support him," Mr. Jiang. "This is indeed the start of a new era."

Mr. Tung, a shipping magnate who will become Hong Kong's first Chinese chief executive after more than 150 years of colonial rule by London, was in Beijing to meet leaders after his formal appointment Monday by Prime Minister Li Peng. Mr. Tung, 59, will replace Governor Chris Patten.

Mr. Jiang assured Mr. Tung that Beijing would stand by the terms of its Basic Law, which gives the territory a large degree of autonomy as a Special Administrative Region of China, the Xinhua press agency said.

"In dealing with the question of Hong Kong, we will strictly act in accordance with the Basic Law, and will never interfere in affairs belonging to the scope of autonomy of the Special Administrative Region," Xinhua quoted Mr. Jiang as saying.

Mr. Tung's first visit to Beijing since his appointment is being closely watched by Hong Kong residents interested to know more about his plans for the postcolonial administration and to learn whether current senior civil servants will keep their jobs.

Mr. Tung, who has urged Hong Kong's residents to be sensitive to China's sovereign rights, has yet to give details of his plans for the postcolonial administration, but has said he will discuss transition issues during the visit.

The jovial meeting between the Communist Party boss and Mr. Tung, a Shanghai-born refugee from the 1949 Communist revolution, symbolized the historic change of sovereignty just months away.

While China has said it will leave Hong Kong's free-wheeling capitalist system intact, it has made it clear that the authority of the territory's leader will have limits.

One of Mr. Tung's first tasks in the twilight of British rule will be to choose an advisory cabinet called the Executive Council and to decide which senior civil servants to keep — a subject of much speculation among Hong Kong's media. *(Reuters, AP)*

Bhutto's Husband Is Released

High Court Rules There Were No Grounds for His Detention

Compiled by Our Staff From Dispatches

KARACHI, Pakistan — A Pakistan court on Wednesday ordered the release of Asif Ali Zardari, husband of the ousted prime minister, Benazir Bhutto, after it ruled his detention void. Pakistan People's Party leaders said.

A spokesman for Miss Bhutto's party said a two-judge Division Bench of the Sindh High Court in Karachi had declared Mr. Zardari's detention on public order charges void and ordered his release.

But the police authorities said that Mr. Zardari might not be released on the grounds that he is wanted in another case. A police official said he might be rearrested in connection with the murder of the former prime minister's estranged brother, Murtaza Bhutto.

Murtaza Bhutto and his seven colleagues were killed in a police shoot-out here on Sept. 20. His party has accused Mr. Zardari of involvement in the murder conspiracy.

"Whether he'll actually be allowed to leave the jail or not remains a question," said Shah Mahmood Qureshi, a spokesman for Miss Bhutto in the capital of Islamabad.

Miss Bhutto has accused President Farooq Leghari of detaining her husband and other close associates in order to break her will to contest her dismissal. Mr. Leghari dismissed Miss Bhutto last month, accusing her of corruption and economic mismanagement. Mr. Qureshi said the court order was "a victory for us in the sense that for nearly two months the caretaker government has not been able to bring charges against him, and the court has ruled there is no case against him."

Mr. Zardari was arrested after the Nov. 5 dismissal of the Bhutto government under the Maintenance of Public Order ordinance, which permits the detention for up to three months of anyone considered a threat to public peace.

Witnesses outside the prison said more than two dozen armed policemen were guarding the entrance of the jail where dozens of his party supporters carrying garlands and gifts had gathered to welcome Mr. Zardari. *(AFP, Reuters, AP)*

BRIEFLY ASIA

Congress Party Asks Rao To Quit Parliament Post

NEW DELHI — The chief of India's Congress party asked the former prime minister P. V. Narasimha Rao on Wednesday to step down from his post as leader of the party's parliamentary bloc, the United News of India said.

The Congress Working Committee, the party's elite decision-making body, delegated the party president, Sitaram Kesri, to persuade Mr. Rao to step down as the leader of the Congress Parliamentary Party.

Mr. Rao, who led Congress to its worst defeat ever in general elections this year, resigned as party president in September after a court summoned him to testify in a criminal conspiracy case. He denied any wrongdoing. *(Reuters)*

Pyongyang Assails Seoul Over Refugee Camp Plan

TOKYO — North Korea on Wednesday said South Korea's plan to build a camp for Northern refugees would create a spy base filled with "human rubbish" wanted for crimes in the North.

Seoul's plan to begin constructing a camp next year "is aimed at building an anti-Communist base for the human rubbish who defected to the South after committing crimes in the northern half of Korea and thus encouraging distrust and confrontation," North Korea's official media said.

On Dec. 6, South Korea's Unification Ministry said Seoul would build its first camp, capable of holding 500 people, to cope with a possible exodus from the North. The announcement came after 17 North Koreans — 16 members of one family and a security guard — fled to South Korea through China and Hong Kong in the biggest flight from North Korea on record. *(Reuters)*

Marcos Award Is Upheld

SAN FRANCISCO — An appeals court has upheld an award of nearly $2 billion to thousands of possible victims of the former Philippine dictator Ferdinand Marcos.

The 9th U.S. Circuit Court of Appeals, in a written ruling, said the late Mr. Marcos could be held liable for the alleged human-rights abuses and affirmed the massive jury award.

In 1994, a federal jury in a class-action civil rights suit in Hawaii awarded $1.9 billion to some 9,500 people who had suffered at the hands of the Marcos government or were relatives of victims.

The Honolulu jury found that Mr. Marcos, who died in Hawaii in exile in 1989, was responsible for major rights abuses including torture, murder and "disappearances." Lawyers for the alleged victims said Tuesday's decision could help them collect assets of the Marcos estate held in Swiss banks and elsewhere. *(Reuters)*

VOICES From Asia

Masami Tsuji, an official of Japan's Environment Agency, urging caution in providing trade insurance and loans to China's Yangtze River dam project: "The decision to grant loans and trade guarantees should take into account concerns for the possible effect on the environment and the problem of resettling the 1 million people who will be displaced by the dam construction. The Trade Ministry has already sent an evaluation team to the construction area, but we would like them to further consider the environmental and human-rights issues." *(Reuters)*

TRADE: *Weak Yen Leads to a Surprise Jump in Japan's Surplus*

Continued from Page 1

stronger currency helped the U.S. economy.

A weaker dollar would allow American businesses to more easily sell goods abroad while handicapping the export possibilities of companies that operate from countries with stronger currencies.

In today's market, Japanese companies are benefiting from a weaker yen, which makes their products less expensive in the United States.

Mr. Takagi of Fuji Research said it was possible that President Bill Clinton's administration would cave in to industry demands as it did in 1993 and allow the dollar to tumble from its level of about 114 yen Wednesday to as low as 95 yen by the end of 1997. The yen reached its strongest point ever in April 1995, when the dollar briefly traded below 80 yen.

Richard Jerram, chief economist at ING Baring Securities in Tokyo, said he expected a rise in tensions between Washington and Tokyo over trade next year, but he said he thought Mr. Clinton's administration would shy away from talking down the dollar to cut the trade surplus because that could undermine economic recovery in Japan and hurt the American economy as well.

"They are unlikely to push for a higher yen because it could hurt the Japanese economy, and the United States has seen that weak growth in its major export markets in Europe, Mexico and Asia, and not the strong dollar, is responsible for the rise in the U.S. trade deficit," Mr. Jerram said.

The reversal of the trade trend had little impact on the yen-dollar rate but hurt shares of Japanese exporters, which would stand to lose from a stronger yen. It helped send the benchmark Nikkei 225 stock average down 320.43 points, or 1.57 percent, to close at 20,093.03, the day's low.

A Finance Ministry official said the key factor in November's rise in the trade surplus was a 46 percent surge in car exports to the United States and a fall in aircraft imports.

But the official said the general trend in the trade surplus remained downward. In November, Japan's total auto exports rose 28 percent in value from a year earlier. Total exports to the United States rose 15 percent, to 1.094 trillion yen, while imports increased 7.8 percent, to 716.48 billion yen, the Finance Ministry said.

"As imports continue to rise at a rate which exceeds exports, Japan's surplus is still in a declining trend, although it will depend on fluctuations in foreign-exchange rates, developments in economic fundamentals and the trend of the crude oil price," the Finance Ministry official said.

Japan's surplus with Asia rose 0.7 percent to 500.83 billion yen, but its surplus with the European Union fell 2.1 percent to 154.74 billion yen.

Separately, the Economic Planning Agency unveiled its lowest official growth forecast for Japan in 40 years.

The planning agency minister, Taro Aso, said Japan's gross domestic product was expected to grow about 1.9 percent in the year ending March 31, 1998.

WRITE: *Losing the Knack of Penmanship to Ease of Computers*

Continued from Page 1

Miss Katano says she doesn't see so many mistakes on New Year's cards from her adult colleagues, but one reason for that is that these days people are so lazy that even the New Year's cards are printed up.

Even so, there is likely to be the odd mistake, so that when the wrong character is used, the traditional "year-end party" becomes the "losing-all-senses party."

Writing Chinese characters, or *kanji* as they are called in Japan, takes much more discipline and practice than writing English letters. Japanese uses far fewer kanji than Chinese, and Japanese also uses a couple of alphabets based on pronunciation. So if a Japanese doesn't remember just how to write a character, it is possible — though less desirable — to write it in hiragana, an alphabet based on pronunciation.

Japanese children start out by memorizing 80 characters by second grade, going all the way to 2,000 characters to allow them to read a newspaper in high school. Still, only 16.3 percent of test takers pass a national kanji exam that requires about 2,000 characters.

These days, more children are choosing computers over calligraphy, and sometimes even grade school teachers have lost their talent for teaching the traditional brushes.

Minding P's and Q's in Japan

Japanese must memorize 2,000 Chinese characters, known in Japan as kanji, to read a newspaper. But when it comes to writing, many are forgetting their characters, and mistakes — sometimes embarrassing ones — are becoming increasingly common.

CORRECT	INCORRECT
拝啓	排啓
Haikei *Your enlightened worship*	*You enlightened piece of waste*

Calligraphy by Tsuyoshi Takamori/NYT

"At school, teachers themselves can't write well anymore," said Yuichiro Oshiro, 25, a calligraphy instructor who teaches children how to write kanji. "So they can't teach how to write properly anymore."

China uses far more characters than Japan — most educated Chinese adults can read about 5,000 characters — but in mainland China many people can still write fairly well because they have not been spoiled by computers.

A newspaper in southern Japan had to publish a correction several months ago when it misprinted the word for embassy, or literally, "hall of the ambassador."

Instead, it printed a character with an extra line in a strategic place that could be read as "hall of feces."

Kirin Beer Co. began encouraging its employees to take kanji tests after a manager became fed up with the mistakes in company memos.

"Some employees could not even write the easiest kanji, and used hiragana in documents for business, which is shameful — it would be shameful to disclose such documents to the public," said Kohsei Tabata, a public relations manager at Kirin who is studying for the highest level national kanji exam.

In contrast to his father's generation, Mr. Tabata said, Japanese children no longer diligently study Chinese poems or Chinese philosophy in the original.

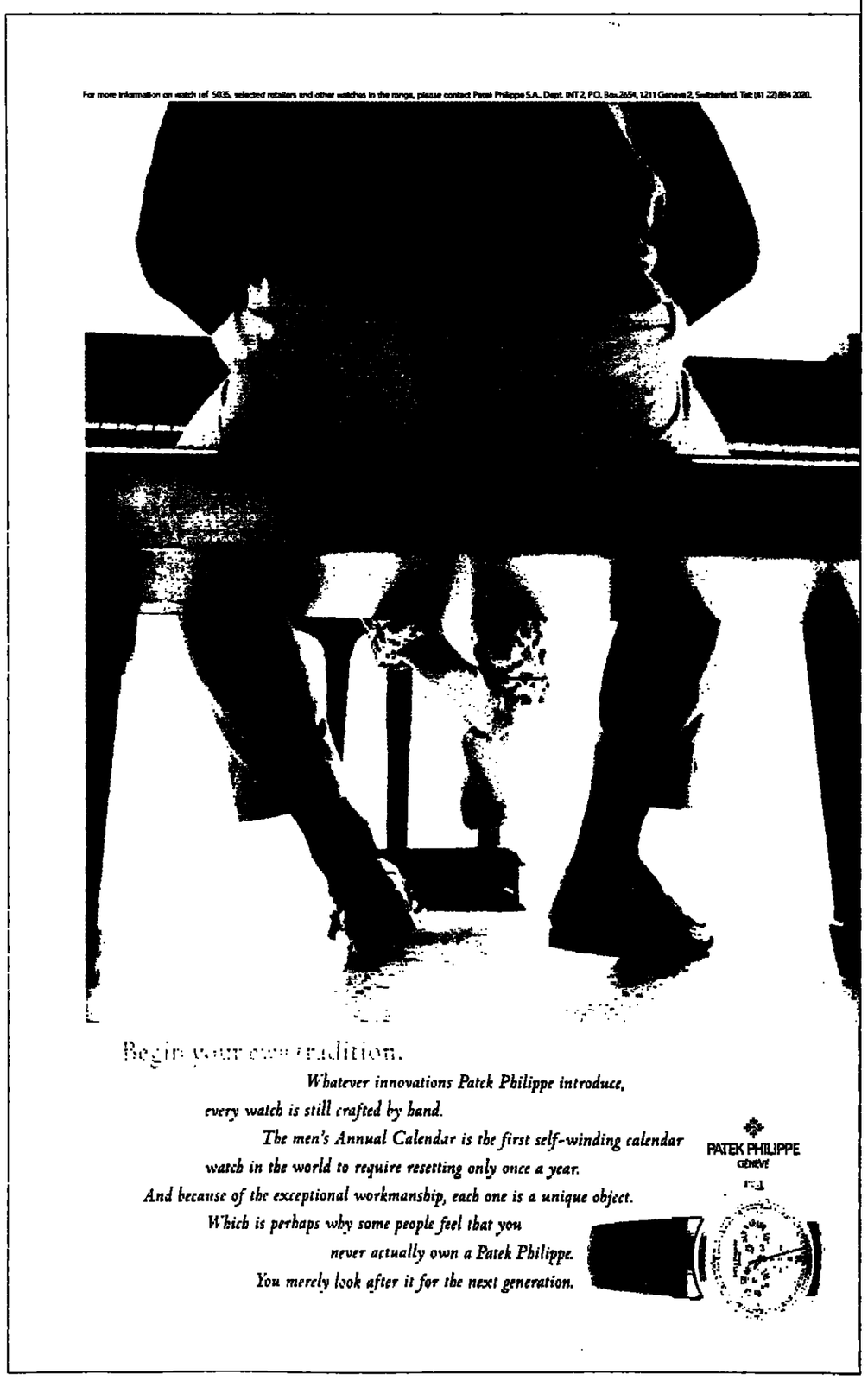
"We have no such learning anymore," he added. "It's like Europeans using Latin."

Mother Teresa, Improved, Is Eager to Work

The Associated Press

CALCUTTA — Mother Teresa's doctors said Wednesday that she might be leaving the hospital soon, and the 86-year-old nun immediately began making plans to resume her charity work.

Mother Teresa has recovered from pneumonia, her heart condition was stable and her heartbeat was regular, a hospital statement said. "Physicians attending Mother are very happy with her improvement," it said.



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HEALTH/SCIENCE

TOMORROW LEISURE

Black Sea Rising: Was It the Flood?

By John Noble Wilford
New York Times Service

NEW YORK — Long before the splendid palaces and minarets of Istanbul lined its shore, the Bosporus was little more than a narrow spillway where fresh water from the ancient Black Sea flowed out to the Aegean Sea and on to the Mediterranean. Then rising sea levels worldwide brought about a cataclysmic reversal. Suddenly, sea water cascaded through the Bosporus with a force 400 times mightier than that of Niagara Falls, the terrifying sound of the roar carrying for at least 60 miles.

In perhaps less than a year, the Black Sea turned brackish and rose several hundred feet, inundating former shores and river valleys deep into the interior. The relentless waters encroached on the land at a rate of half a mile to a mile (0.8-1.6 kilometers) a day. More than 60,000 square miles of land were soon submerged, a 30 percent expansion in the Black Sea's size, essentially giving the body of water its modern configuration.

An international team of geologists and oceanographers has reconstructed the history of this catastrophic flood from data gathered by a Russian research ship in 1993. Seismic soundings and sediment cores revealed traces of the sea's former shorelines, showing an abrupt 500-foot (150-meter) rise in water levels. Radiocarbon dating of the transition from freshwater to marine organisms in the cores put the time of the event at about 7,500 years ago: 5500 B.C.

The team leaders, Dr. William Ryan and Dr. Walter Pitman 3d, of Columbia University's Lamont-Doherty Earth Observatory in Palisades, New York, described the results of their research in interviews last week. A full scientific report is to be published next spring.

Other geologists familiar with the work seem to have no quarrel with the basic reconstruction or the timing. But Dr. Ryan and Dr. Pitman have taken their interpretation of the flood's possible consequences a tentative but bold step further, two geologists treading on the turf of archeologists. The rumblings of controversy can already be heard.

Could it be, Dr. Ryan and Dr. Pitman speculate, that the people driven from their land by the flood were, in part, responsible for the spread of farming into Europe and advances in agriculture and irrigation to the south, in Anatolia and Mesopotamia? These cultural changes occurred around the same time as the rise of the Black Sea.

Could it also be, they ask, that the Black Sea deluge left such enduring memories that this inspired the later story of a great flood described in the Babylonian epic of Gilgamesh? In the epic, the heroic warrior Gilgamesh makes a dangerous journey to meet the survivor of a great world flood and learn from him the secret of everlasting youth.

If a memory of the Black Sea flood indeed influenced the Gilgamesh story, then it could also be a source of the Noah story in the Book of Genesis. Scholars have long noted striking similarities between the Gilgamesh and Genesis flood accounts and suspected that the Israelites derived their version from the Gilgamesh epic or independently from a common tradition that might have stemmed from a real catastrophe long before.

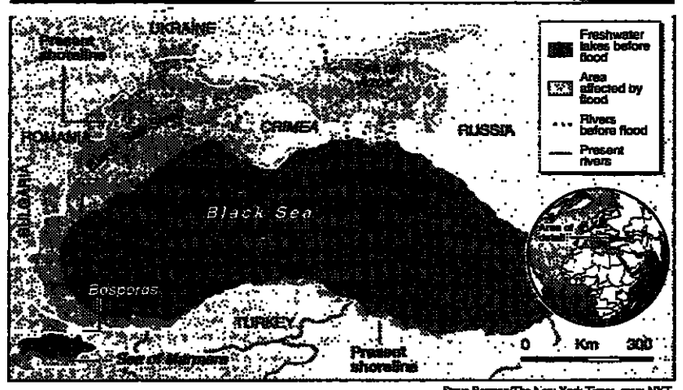
Dr. Ryan and Dr. Pittman concede that a link between the Black Sea flood and Gilgamesh and Noah may be a bit of a stretch. In a scientific report, they stick mainly to their geological findings. But in informal lectures and a BBC television documentary they elaborate on the possible implications for early agriculture and mythology, hoping, they say, to promote a dialogue with other scientists and scholars.

IN the BBC program, Dr. John Dewey, a geologist at Oxford University, said: "The geology is very clear. The real question is, does it explain the biblical flood or some other phenomenon."

Dr. Stephanie Dalley, an authority on Gilgamesh at Oxford, said she doubted there was any connection between the Black Sea event and the mythological flood, noting the wide separation of the two in geography and time. The Gilgamesh who may have inspired the epic was possibly a ruler of the Sumerian city of Uruk around 2600 B.C.

Dr. Ryan and Dr. Pittman may be on firmer ground suggesting a link between the rise of the Black Sea and cultural changes in Europe and elsewhere.

Dr. Douglass Bailey, an archeologist of the University of Wales in Cardiff who specializes in Bulgarian excavations, said he was wary at first, but now thought that Dr. Ryan and Dr. Pittman "might have stumbled on something extremely important." The migration of the Black Sea people, he suggested, could have been "the starting point for a drastic period of change that culminated in the Copper Age," a time of increased cultivation of food, permanent settlements and new metal technology that began about 7,000 years ago.



Steve Berman/The New York Times, map: NYT

Dr. William Ryan, left, and Dr. Walter Pittman 3d, who theorize that the Black Sea flood in 5500 B.C. may have given rise to the story of Noah.

Weighing the Risks of Aspirin

New York Times Service

NEW YORK — For those ascribing to the new wisdom of "an aspirin a day keeps the doctor away," it may be no safer for the digestive tract to take buffered or enteric-coated versions, a new study suggests. While it has long been known that plain aspirin can cause serious bleeding in the upper gastrointestinal tract, the study showed that this risk was not reduced among those taking low doses of either buffered or enteric-coated aspirin.

Users of low-dose aspirin, regardless of type, were three times as likely as nonusers to be hospitalized with serious bleeding in the stomach or small intestine.

The study director, Judith P. Kelly of the Slone Epidemiology Unit at the Boston University School of Medicine, said in an interview that the risk of bleeding was directly related to the dose and suggested that the problem could be minimized by taking the smallest effective dose of aspirin.

"If people are taking aspirin to prevent cardiovascular disease, they need only a very small dose to get the benefit — one-quarter of an aspirin tablet a day, the equivalent of one baby aspirin," she said.

Sugarplums, Yes, But Hold the Fat

By Jane E. Brody
New York Times Service

NEW YORK — You may think it is the sweetness of holiday treats that prompts you to shovel in the thousands of tongue-tickling calories that show up as extra padding by year's end. But recent studies of the human appetite show that while sugar may lead one into temptation, fat is what pushes the indulgence to caloric excess.

Fat is the nutrient most commonly overconsumed and least likely to be compensated for by eating less at subsequent meals or by exercising the calories away. And while holiday treats like cookies, pies, cakes, eggnog and chocolates are certainly sweet, their main source of calories by far is fat.

"High-fat foods disturb appetite control while people are in contact with food and afterward — for the rest of the day and even the next day," said Dr. John Blundell, a psychobiologist at the University of Leeds in England, who has done extensive studies on how the composition of foods affects appetite, consumption and weight gain.

"There is no compensation for an energy-dense meal," and a meal high in fat is the most energy-dense a person can get, he said in New York last week at a conference on reducing dietary fat.

Dr. Blundell's studies have shown that high-fat meals "compromise satiation," that is, the processes or signals that bring, or should bring, a meal or a snack to an end.

He and his colleagues call it the "fat paradox." They found that although fat in foods sets off the release of potent biochemical signals that suppress hunger, these signals often do not register soon enough in the brain when people eat fatty foods.

Furthermore, he said, the body is designed to hold on to consumed fat unless it receives a consistently rich supply of it. While a meal high in carbohydrates causes a near-immediate increase in oxidation, the process of turning those carbohydrates into energy, Dr. Blundell said that a high-fat meal does not induce an increase in the oxidation of fat. "Rather," he said, "it takes three to seven days of high-fat eating to increase fat oxidation."

Thus, he explained, after single episodes of high-fat eating, instead of burning the excess fat for energy, the body stores it. The result is weight gain.

"The brakes on fat consumption were never designed to cope with the amount of fat currently in the Western diet," Dr. Blundell said in an interview at the conference, which was cosponsored by the American Health Foundation, the National Cancer Institute, the American Heart Association and the American Society of Preventive Cardiology.

For example, Dr. Blundell cited a study at the University of Leeds in which obese adults were offered dinners and told to eat until they were full. Those who ate a low-fat, high-carbohydrate meal consumed 680 calories, but those given a high-fat meal consumed twice that much: 1,350 calories.

At subsequent meals that day and the next, the high-fat diners failed to decrease their consumption significantly to make up for the caloric overload.

Dr. Blundell says this sort of overeating happens not only because foods high in fat taste good, smell good and feel good in the mouth but because high-fat foods are energy-dense; a lot of fat calories can get packed into a relatively small quantity of food.

For example, a 5-ounce (140-gram) prime rib (minus the bone) supplies 578 calories, 450 of which come from 50 grams of fat. But a 5-ounce baked potato supplies only 132 calories and less than 0.2 gram of fat, yet the quantity of food is the same. It would take more than four baked potatoes — a total of 22 ounces — to reach the caloric content of the 5-ounce steak.

DR. BLUNDELL said the body's brakes on protein consumption were far more effective, making it "very difficult" to overeat protein. "The body can't store protein, so it has to process it," he explained. "But since most high-protein foods are also high in fat, by the time the satiety signal for protein kicks in, you've already overconsumed calories from fat."

Carbohydrates, too, have their limits, though the signals to stop carbohydrate consumption are somewhat slower to register than those for protein. The body can store only about a pound of carbohydrates in the liver and muscles, so when extra carbohydrates are consumed, they are normally oxidized, releasing heat energy.

"But there is no limit to how much fat we can store," he said.

To be sure, Dr. Blundell said, "there is more than one pathway" from nutrition to obesity. "People can overeat on carbohydrates, although this is much more difficult," he said.

BOOKS

THE WOMAN AND THE APE

By Peter Hoeg. Translated by Barbara Haveland. 261 pages. $23. Farrar, Straus & Giroux.

Reviewed by Richard Bernstein

A LOT of people have been waiting for Peter Hoeg's new novel, people who were captivated by the originality and wit of his "Smilla's Sense of Snow," the surprise best-seller of three years ago about a half-Eskimo woman from Copenhagen who solves the mystery of a small boy's death.

Some of the spirit of that book has made its way into "The Woman and the Ape," which also has a main female character of off-center allure. This new novel is similarly shrouded in a vague sense of mystery and it is written with an epigrammatic grace that reveals Hoeg as a writer of an especially polished quirkiness.

"The Woman and the Ape" quickly draws us into Hoeg's familiarly warped universe. A ship on the Thames approaches London with an ape on board "all hunched up with its eyes closed and a blanket around its shoulders." The boat is piloted by a man "currently going by the name of Baily" who is a smuggler of endangered species, and, as we meet him, he is remembering a discovery he made some time ago: "that life consisted of a series of repetitions, each less savory than its predecessor — an overall distastefulness in which man himself was but one more repetition."

Things go wrong. The boat runs out of control. The ape escapes, and for several chapters as his story takes shape, Hoeg has us in his spell. Unfortunately, the promising structure he has built suddenly collapses into a precious, preachy, implausible, even maudlin fairy tale.

"The Woman and the Ape" exhibits the kind of banality that comes from trying too hard to be different, so that the second half of the book is read with the pained sensation one feels at the sight of someone laughing a bit too hard at his own jokes. And this is too bad, because even when it fails, "The Woman and the Ape" has many arrestingly stylish and inventive passages and an overall brilliance of tone that shows once again the originality of Hoeg's voice.

The problem is that he didn't manage to enlist that voice in a convincing literary cause this time around.

Hoeg's title naturally gives rise to thoughts of that other story involving a woman and an ape, the one that ended on top of the Empire State Building. In a sense, what the woman and the ape of this book do is reverse the moral pretense of "King Kong." The ape is good in Hoeg's story; humankind is wicked, so wicked that the ape is more the way men are supposed to be, while men are apelike.

Alone among the human beings is the woman of the title, who tries to redeem her flaws by an act of moral opposition. She is Madelene Burden, a transplanted Dane who was swept away from her wealthy, useless life in Copenhagen by an English zoologist and naturalist named Adam, a suave and enigmatically ambitious man who "had all the monumental self-importance of the big beasts of prey and of the great dictators."

Urged on by his equally power-hungry sister, Andrea ("slender, smooth, angelic and deadly"), Adam gets his hands on the ape, whose name is Erasmus and who, like his Renaissance namesake, is a kind of theologian, only stronger, swifter and smarter.

Adam lives in a London town house called Mombasa Manor, built to reproduce the ambience of empire, and there Madelene, who is bored, spoiled, self-hating and alcoholic, becomes aware of strange goings-on in which the well-being of Erasmus seems imminently threatened.

Exactly what these goings-on are we do not know, Hoeg's novel at this stage still promising to be a sleek, mysterious entertainment in the tradition of Graham Greene. But Madelene feels a strange attraction to the ape who "in its stoic helplessness had reminded her of herself."

Gradually Madelene sheds her self-destructiveness and her early-morning shots of pure alcohol. Suddenly showing a remarkable gift for masquerade, she disguises herself as a member of the Meat Marketing Board Research Center and embarks on an effort to find out just why so much mean-spirited attention is being devoted to the ape.

She makes intriguing discoveries: The ape, it seems, is of an unknown species, and is not the dwarf chimpanzee Adam told her it was. She learns that equipment moved into the ape's quarters at Mombasa Manor is intended for sophisticated intelligence and DNA testing. Menacing figures lurk in the shadows, including a policeman suspicious that Adam is part of an illegal animal-smuggling network.

Finally, fearing for Erasmus' life, Madelene escapes with him, and it is at that point that Hoeg's story soars into the realm it inhabits for its entire second half, the realm of didactic silliness posing as satire. The elements of this include an interspecies love affair, which comes across as somewhat less interesting than the more usual intraspecies variety.

Erasmus and Madelene pass an idyll of "Old Testament harmony" in a kind of reconfigured Garden of Eden, actually a zoological refuge planned for the greater glory of Adam and Andrea Burden.

At the end we discover that apes are capable of impersonating human beings a good deal more successfully than the other way around, doing so to impart a few lessons in the fragility of the ecosystem.

As always with Hoeg, the writing can sparkle. "And above this internal catastrophe hovered the reptiles of her dreams, the great white venereal amphibians of alcoholic nightmare," Hoeg writes at one point of Madelene's awareness of physical deterioration.

But Madelene, who started out so promisingly, limps along in the second half of the book as little more than a sexual prop, her story, having tried so hard to satirize the human condition, losing its bearings and ending up satirizing itself.

Richard Bernstein is on the staff of The New York Times.

BRIDGE

By Alan Truscott

THE book "1995 World Bridge Championships," available from The Bridge World, 39 West 94th Street, is a full description of the qualifying, quarterfinal, semifinal and final of the Bermuda Bowl and Venice Cup, played in Beijing. It costs $30.95. All prices include mailing.

Four players who own many world titles were in opposition on the diagramed deal from the semifinal stage in Beijing. East and West were Eric Rodwell and Jeff Meckstroth, members of the American team that went on to win the Bermuda Bowl title. North and South were Michel Perron and Paul Chemla of France.

Chemla as South landed in a precarious four-heart contract, which would have been defeated if West had led a diamond. But East's opening bid, in Precision style, did not necessarily show diamonds, and West chose to lead the spade six.

The defense would have been well placed if Rodwell had played the ten or jack, but from his angle it was possible that his partner held the king. He therefore took his ace and returned the seven.

Reading the position brilliantly, Chemla played the eight and then had no trouble making his contract. He cashed the club ace, drew trumps ending in dummy and threw a diamond loser on the club king.

The deal was played at seven other tables, and Chemla was the ony one to play in game. In the replay, the American North-South bid three hearts and had to struggle to make the contact. France gained 10 imps.

NORTH
♠ 9 4 3
♡ A 7 4
◇ 5 2
♣ K J 10 7 5

WEST (D)
♠ 6 2
♡ 10 9 8
◇ K J 10 8 3
♣ 9 8 6 2

EAST
♠ A J 10 7
♡ J 5 2
◇ A Q 9
♣ Q 4 3

SOUTH
♠ K Q 8 5
♡ K Q 9 6 3
◇ 7 6 4
♣ A

Both sides were vulnerable. The bidding:

West	North	East	South
Pass	Pass	1 ◇	1 ♡
Pass	2 ♡	Pass	3 ◇
Pass	4 ♡	Pass	Pass
Pass			

West led the spade six.

Clues to Alcoholism Treatment

By Rick Weiss
Washington Post Service

WASHINGTON — A major government study has found that a promising approach to treating alcoholism does not boost sobriety rates, surprising researchers and underscoring the limitations of existing alcohol treatment methods.

The $27 million study was designed to test whether alcoholics have a better chance of recovery if they enroll in programs that address the specific psychological factors that put them at risk of drinking — factors that differ from person to person. But the eight-year project found that each of three major treatment approaches tested — including one built on the principles of Alcoholics Anonymous — worked about equally well for each of 10 alcoholic personality types.

The work indicates that for most individuals, relatively inexpensive and less intensive programs may be just as effective as more pricey and complex programs — a finding that scientists said was sure to attract the attention of insurers.

At the same time, although overall success rates in the study were better than those typically seen in standard treatment centers, the number of participants still sober at the end of a year was disappointingly low. That suggests that alcoholism treatment could still benefit greatly from the development of new counseling methods, researchers said, perhaps to be used in combination with new drugs.

"It implies that we are still not at the heart of alcoholic therapy," said Enoch Gordis, director of the National Institute on Alcohol Abuse and Alcoholism, which funded the study.

Researchers emphasized that the study did not look specifically at the effectiveness of Alcoholics Anonymous, a program that is widely regarded as useful but does not keep statistics and has never been evaluated scientifically. Study participants were allowed to attend Alcoholics Anonymous meetings no matter which treatment group they were in, and many did so throughout the study with unknown effects.

The study, which involved 1,726 patients, 25 senior investigators and 80 therapists at 30 institutions around the country, focused on three treatment approaches.

One group of patients received "12-step facilitation" counseling that encouraged them to go to Alcoholics Anonymous meetings and emphasized that organization's view that alcoholism is a chronic illness that can be overcome through mutual support and surrender to a higher power.

A second group received cognitive-behavioral coping skills therapy, which uses role-playing and homework assignments to help patients recognize "high-risk" situations likely to lead them to start drinking again.

A third group received training in motivational enhancement, an empathic form of therapy that encourages people to mobilize "inner resources" to overcome problems, which researchers predicted would be most helpful for people who score low on tests of motivation.

ALL three programs produced notable results; on average, participants drank on 25 out of 30 days before treatment, but less than six days a month after treatment, with improvement persisting for the full 12 months they were tracked. That's better than most programs achieve, researchers said, perhaps in part because the therapy sessions were conducted one-on-one instead of in the groups commonly used in nonresearch settings.

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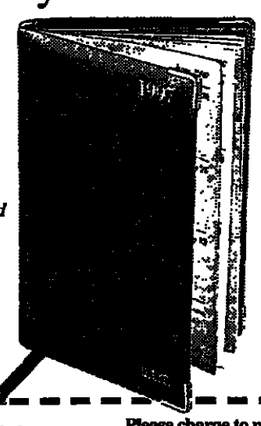

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Yesterday's Scoundrel

The rebel Zairian force that, with Rwanda's aid, enabled Rwanda's refugees to go home makes up half of the confrontation now gathering in Zaire. The other half arises from the longtime national leader, Mobutu Sese Seko, who Tuesday returned from sick leave in France to try to keep his vast country from dissolving into a full-scale civil war and infecting other parts of central Africa with further strife.

Mr. Mobutu is a famous plunderer who played the Cold War card and conned the West into treating him as indispensable. There is no point in feeling too guilt-ridden about the Mobutu embrace. The West got strategic recompense. But it owes him nothing now, and his country needs something better. His line — after me, the deluge — still inclines some unreconstructed Western policy planners to consider using his skills to put down the eastern rebellion and reunify Zaire. This would be a gross error. He is yesterday's scoundrel.

His remaining service is to write his country a check for the billions he stole and get out of the way. Otherwise, with the Soviet threat only a memory, it is safe to let him go.

Zaire is bigger than Texas plus Alaska. It is that size only by colonial convenience. There is no overbearing reason for the West to commit itself to preserving that impossible, unnatural union. The colonial borders cannot forever be considered sacrosanct. In Zaire in particular, the West's important but lesser interest is to assist in bringing about a soft landing. That means emphasizing accommodation and negotiation as the means to whatever end is finally devised. The United States, France and others cannot expect to take on this project by themselves. They need to encourage other African states to work at it. South Africa is the leader of a group of states currently making the effort. It goes poorly so far, but it goes and should be continued.

Just a month ago the United States and others were ready to put in troops to deliver relief to the Rwanda refugees. Now the prospect of Zaire's violent dissolution, which would create many new refugees, seems insufficient to prompt further Western intervention. That leaves a third Western mission — not relief, not intervention but support for the eventual resuscitation of Zaire, as of Rwanda, as these nations adopt free-market democratic ways.

— THE WASHINGTON POST.

Dear Benjamin: Ignore This Letter at Your Peril

By Jim Hoagland

WASHINGTON — Larry Eagleburger has been accused of many things, some of them in this column. As Jim Baker's top aide and then successor as secretary of state in the Bush administration, Mr. Eagleburger shared responsibility for misjudgments on Iraq, Yugoslavia and other issues.

But even in the worst times of U.S.-Israeli friction, the no-nonsense, brutally candid Eagleburger has never been accused of being unfriendly to Israel.

Until now.

The accusation, both unseemly and unlikely, comes from Prime Minister Benjamin Netanyahu's spokesman, David Bar-Ilan, who is as prone to shoot from the lip as his boss is to cloak himself in noncommunicative rhetoric or silence on issues of war and peace.

Mr. Bar-Ilan blasted Mr. Eagleburger and seven other prominent former U.S. policymakers for not being "real friends" of Israel after they jointly sent the prime minister a public letter criticizing Israeli policies on the West Bank. Here is what Mr. Netanyahu's spokesman told Israel's Army Radio on Monday:

"These eight people were known as not the most friendly to Israel, to say the least. Israel's real friends not only refused to sign this letter but are expressing their support for our policies all the time."

"To say the least"? One can only wonder what saying the most would be to Mr. Bar-Ilan, who was editing The Jerusalem Post when Mr. Eagleburger, in severe pain from a variety of ailments, traveled to Jerusalem during the Gulf War to show solidarity with the Jewish state.

Until May, the Labor government led by Yitzhak Rabin and then Shimon Peres worked hard to divide the land Israel conquered in 1967 with its Arab neighbors. The Likud victory has brought to office a team that seems more interested in dividing Americans into real friends, not-so-real friends and unfriendly others.

Mr. Eagleburger's crime? He joined Mr. Baker, Cyrus R. Vance, Zbigniew Brzezinski, Frank C. Carlucci, Brent Scowcroft, Robert S. Strauss and Richard Fairbanks in warning Mr. Netanyahu that carrying out his promises to expand settlements on the West Bank "could halt progress made by the peace process over the last two decades."

The willingness of Mr. Eagleburger and Mr. Strauss to join in criticizing Mr. Netanyahu is significant. No reasonable person could accuse Mr. Eagleburger of anti-Israeli sentiment or of carrying on public feuds with Israeli governments. Much the same can be said of Mr. Strauss, who has been a keen supporter of Israel within the American Jewish community. Their signatures indicate a widening concern in the United States about Mr. Netanyahu's intentions after a wait-and-see period. The letter was similar in tone to remarks made Monday by President Bill Clinton.

In blasting the authors of the letter, was Mr. Bar-Ilan representing Mr. Netanyahu's thinking, as he is paid to do? Amazingly, we cannot be sure.

In his six months in power, Mr. Netanyahu has not imposed a unifying message on his cabinet and close aides, who contradict and criticize each other with regularity. He apparently has revealed as little to them as he has to the outside world about his true intentions in the search for peace with the Arabs.

It is now clear that this is not a communications problem, but a political strategy.

It is a strategy based on Mr. Netanyahu's deep but officially unstated pessimism that peace can ever be reached with the Palestinians. Balanced against that pessimism is the political need to avoid being blamed by the United States and the Israeli electorate for the collapse of the peace process, a collapse that Mr. Netanyahu seems to accept as inevitable and desirable but one for which he does not want to be held accountable.

Mr. Netanyahu's two-track policy involves offering real progress to Yasser Arafat in their talks, but simultaneously creating a political context that makes it very difficult for the Palestinian to make any deal at all on the West Bank.

In negotiating with Mr. Arafat over Labor's promise to withdraw troops from Hebron, Mr. Netanyahu has implicitly offered to trade the Palestinians land for peace. Likud has always opposed extending that trade — the core dynamic of Labor's Oslo accords with the Palestinians — to the whole West Bank. If Mr. Arafat were to accept the proposal Mr. Netanyahu has put on the table, he would maneuver the Likud leader into an important ideological concession.

But Mr. Netanyahu obviously hopes to be rescued from his own offer. For him, dealing with the consequences of a breakdown in the peace talks seems preferable to the problems he would face if there were a success.

The act is wearing thin, and some of Israel's best friends have had the courage to tell Mr. Netanyahu so, publicly. Those friends deserve better than a blanket defamation.

The Washington Post.

Conscience Lost

When secrecy and conscience clash in Washington, secrecy almost always prevails. Richard Nuccio is the latest idealist to discover that telling the truth in the government can destroy a career.

For informing a member of Congress about CIA misconduct in Guatemala, Mr. Nuccio, a State Department official, has now been stripped of his high-security clearance.

The disciplinary action taken earlier this month by John Deutch, the departing director of Central Intelligence, completes the government campaign to discredit and disown Mr. Nuccio.

Though Mr. Deutch invited Mr. Nuccio to reapply for access to Special Compartmented Information in 12 months, the decision effectively undermines Mr. Nuccio's ability to work on sensitive foreign policy issues.

Mr. Nuccio's mistake was believing in 1995 that Congress ought to know what the CIA knew about two killings in Guatemala earlier in the decade. One victim was a U.S. citizen, the other a Guatemalan guerrilla married to an American. For months the CIA had failed to inform congressional committees that it had information suggesting that a Guatemalan military officer on its payroll was linked to both cases. Mr. Nuccio informed Robert Torricelli of New Jersey, then a member of the House Intelligence Committee and since elected to the Senate.

Mr. Torricelli publicly accused the CIA of misconduct and reported that the military officer, Colonel Julio Roberto Alpirez, had ordered the killings.

The charge led to a series of government investigations, which confirmed serious lapses by the CIA, and Mr. Deutch punished several agency officials for misconduct. While the inquiries could not link Colonel Alpirez directly to the two murders, they did find that he participated in the interrogation of the guerrilla fighter before he was killed, and that he helped cover up the killing of the American.

The sanctity of intelligence information is important, but secrecy must not be used to shield abuses or to deny Congress information about wrongdoing that the CIA is obliged by law to provide. Mr. Nuccio acted in the public interest. If his government cannot understand that, President Bill Clinton ought to educate his colleagues and restore Mr. Nuccio's security clearance and good name.

— THE NEW YORK TIMES.

To Avoid Turmoil, China Must Loosen Its Grip on the People

By Thomas L. Friedman

HONG KONG — The question of how Hong Kong will evolve over the next few years is a question you can debate until you're blue in the face, and Hong Kongers are doing just that. But for my money there's only one interesting question here: How will China evolve? Because no matter what Hong Kong wants to be, once it becomes part of China next July 1 its fate will be linked to the fate of "The Deng Xiaoping New Deal."

The Deng Xiaoping New Deal, argues Robin Munro, Hong Kong director of Human Rights Watch, was forged in 1978 and stipulated that the Chinese government would withdraw its intrusive control over the lives of the Chinese people — from where they work to what they say to their children — and grant them a broad degree of economic freedom to choose their own jobs, start a business or amass capital.

In return, though, the Chinese people had to accept that there could be no threat to the Communist Party's political monopoly. After the insanity of the Cultural Revolution, the Chinese public, exhausted by politics, embraced this deal — not that they had any choice. This, in turn, gave China's Communist Party a new lease on life and was the springboard for China's stunning economic takeoff.

Since then the economic freedom of average Chinese has dramatically improved, while political repression has narrowed but intensified, with a focus on stamping out even the slightest challenge to the party. The transition from one era to another is exemplified by the dissident Zheng Qiuwu, who in 1986 was arrested on Hainan Island and sentenced to 13 years in jail for, among other things, advocating the establishment of a stock market in China (then still illegal). Mr. Qiuwu will soon be out of jail and looking for a job in China. He's now free to become a stockbroker, but he still can't write an op-ed piece for the People's Daily.

The question is, how long will the Deng deal hold? Clearly, external pressure will not force China's leadership to liberalize politically. Rapid growth has given China enough economic leverage to buy off all external pressure. Only internal pressure will really change things.

It's coming. China's economic modernization is a profoundly destabilizing phenomenon. It is producing massive migrations of workers, huge income gaps in a country that once prided itself on equality, staggering unemployment, pervasive corruption and millions of people entering the work force without medical care or safety nets.

These problems will only deepen as the economic reforms deepen.

The reason China's leaders have cracked down so hard on dissidents lately is because they understand something important: The Tiananmen Square dissidents were advocating abstract principles of liberty and democracy. But the dissident movement that tentatively re-emerged in the wake of Tiananmen is seeking to give a voice to those lost, brutalized, unemployed or left behind by economic reform. The potential fusion of the political dissident movement in China and the industrial dissident movement is the real threat to China's authoritarian leadership.

The real threat to Beijing comes from those brutalized, unemployed or left behind by rapid economic reform.

That is why Wang Dan got four years for being a leader of the Tiananmen Square demonstrations, but he just got 11 years for writing about the socially explosive issues of the 1990s. China's leaders know that it was the coalition of intellectuals, workers and the church that brought down communism in Poland. In other words, the most important pressure for change on China's leaders is not external pressure, which China's economic growth deflects, but internal pressure, which China's economic growth fuels.

How should the West play this? It must let China's leaders know that the West appreciates the mammoth problem China is wrestling with: the rapid economic modernization of one-fifth of the human race — a problem that can only be addressed gradually. But the West must never buy into the current line of China's leaders that any political liberalization will lead to chaos and therefore must be avoided. There is no way China can maintain stable economic growth indefinitely without gradually loosening the lid, sharing more power with workers, establishing a rule of law and freeing its press to go after corruption.

Without a middle-ground approach, China will experience the very turmoil it wants to avoid and it will take Hong Kong down with it.

The New York Times.

Clinton's Money Problem

By the time he had been in office for 18 months, President Bill Clinton was over his head in personal legal bills stemming from the Whitewater and Paula Jones affairs. He could not accept free help even if offered. So he and his wife did something no president in history has done before. They established a legal defense fund to accept donations from the public.

This was from the outset a dicey proposition and a hard call. If it were to be undertaken, the fund needed to be insulated against abuse, influence buying and the rest. Corporate contributions, and those from labor unions, political action committees, foreigners and registered lobbyists, would not be accepted, it was decided, and gifts were limited to $1,000 per donor (we thought that figure too high). The fund was also put in the hands of a blue ribbon group — perhaps we should say the blue ribbon group, its membership was so classic. It included Father Theodore Hesburgh, Nicholas Katzenbach, Elliot Richardson, Barbara Jordan and other luminaries whose detachment and probity were assured.

At first, there was a flurry of donations. The predictable big shots and affluent FOBs — Friends of Bill — kicked in their $1,000 each. And smaller gifts were received from presidential admirers, including even $200 from the wife of Massachusetts's Republican governor, William Weld. But at no point did the money coming in — so far about $1.2 million — come close to matching the bills being run up. Then a Little Rock businessman and friend of the president's, Charles Yah Lin Trie, arrived one day in March at the office of the Washington lawyer Michael Cardozo, executive director and a trustee of the fund. He handed over two envelopes containing $460,000 in checks and money orders, each under the $1,000 limit. The money orders were numbered consecutively, though they were signed by individuals living in different parts of the country. Handwriting other than signatures on these documents appeared to be the same. And a large number of the donors were affiliated with a Buddhist organization based in Taiwan, with chapters in the United States.

Mr. Cardozo refused to accept some of this money, which clearly came from corporations or noncitizens. And after an investigation, the trustees decided in June to return the rest. The gift was not revealed in the semiannual report put out by the trustees, but they say the money had not actually been accepted and so needn't have been reported. No laws were broken, so far as we now know. The fund survived a court challenge. The guidelines adopted by the president and the trustees are entirely voluntary, and they were observed.

How tidy, you say to yourself, and so in its way it was — except that Mr. Trie did not confine his giving to the legal defense fund.

He gave and helped to raise a fair amount of money for the president's campaign as well; at least one chunk turned out to be illegal and had to be given back. Mr. Trie's campaign fund-raising, or some of it, came after the problem developed with the legal defense contributions, but no one turned the campaign fund-raising off. Mr. Trie was in fact a dinner guest at the White House last week; the dinner seems to have been in part a kind of thank-you to campaign contributors. Mr. Trie, in short, was not a stranger to the Clintons when he brought in either the first set of suspect contributions, nor has he been held at anything like arm's length since. The White House keeps trying to say the fund-raising story with regard to the Clintons is over, but it isn't.

— THE WASHINGTON POST.

A Bigger NATO Would Create the Problems It Seeks to Prevent

By William Pfaff

PARIS — The executive branch of American government seems determined to commit the United States to responsibilities in Europe that common sense says the Congress will refuse.

The administration wants rapid expansion of NATO. It wants this in defiance of the fact that expansion offers destabilization rather than stabilization in East-Central Europe and Russia.

From the beginning of the debate over NATO enlargement, critics have maintained that it is most unlikely that a two-thirds' majority of the U.S. Senate would agree to extend unconditional U.S. nuclear guarantees to NATO's new members.

It may be doubted that the Senate majority would even endorse nuclear guarantees for Poland, Hungary and the Czech Republic, which are not on Russia's border (except for the Kaliningrad enclave between Poland and Lithuania). That it would do so for the Baltic states is more doubtful yet. That, precisely, is why it has been a terrible idea to bring this matter up.

The administration is determined to invite the Poles, Hungarians and Czechs into NATO next summer. It wants them, and probably one or two other newcomers, inside the alliance by 1999, when NATO has its 50th anniversary. This requires the Senate and the national legislatures of 15 other NATO countries to ratify NATO's new commitments by 1999.

Mr. Clinton is following what has become the consensus policy of the American strategic community. The plan to expand NATO is backed by the Polish and Baltic lobbies in the United States for understandable reasons. They do not understand that they support a program that could weaken, not strengthen, these countries' security.

The policy community has an ideological as well as organizational interest in NATO expansion. It sees it as part of a larger expansion of America's world role and post-Cold War responsibilities. This suits bureaucratic interests in Washington, and also in the NATO apparatus, which has become a quasi-autonomous actor in Western policy determination.

The policy bureaucracy and its adjuncts in the think tanks and universities have formulated this project without adequate attention to its domestic political ratifications, leaving that for the politicians to deal with. However, while prime ministers can usually carry their parliamentary majorities, President Bill Clinton cannot carry the U.S. Senate on this issue unless a big and dangerous crisis has developed with Russia — and possibly not then.

NATO's expansion actually tends to promote such a crisis, as it cannot seriously be interpreted as other than an anti-Russian measure, and since it draws a new line of political and military division across Europe, with NATO on one side and the rest on the other — which makes no sense. We spent 40 years trying to get rid of the last iron curtain.

However, the policy community has a vision of a future federative community of the democracies, in which NATO would be the integrating agent in Europe, Russia itself would eventually become a member and the United States would be at the helm of it all.

Expansion cannot be interpreted as other than an anti-Russian measure.

It sees NATO not only expanding but evolving, becoming a trans-Atlantic and eventually — why not? — Eurasian political, economic and trading community in which America would be the leading nation.

This complacent and sentimental view of the future has deep roots in the historical American approach to foreign policy, and the results have not always been bad. But on the occasions when policy initiatives went against congressional sentiment and public apprehension, as happened with Woodrow Wilson's League of Nations, the executive-legislative clash that followed was damaging to all.

Some argue that until NATO is extended to Central Europe, a power vacuum exists there. This consideration is irrelevant to the extent that a power "vacuum" becomes dangerous when rival powers exploit it to enlarge their own influence — which is exactly what NATO expansion amounts to, thereby inviting Russian retaliation. To do this makes no sense when Russia itself has accepted, indeed initiated, its own removal from Central and Eastern Europe — doing so with good grace and good sense.

There now are dynamic, independent nations in Central Europe with enlarging institutional ties to Western Europe, and to the Western and international economies. Poland, Hungary and the Czech Republic are as secure today as Finland, Sweden and Austria. NATO membership offers them little objective advantage. NATO rejection, following a vote in the U.S. Senate not to extend guarantees to them, would do immense harm.

This is certainly true in the separate case of the Baltic states.

Their independence is not challenged today by Moscow. Interference with their independence would provoke international crisis. That may not seem a very reliable guarantee of their future security, but it is a better one than they are likely to get, in foreseeable circumstances, from the U.S. Senate.

There are problems it is better not to try to anticipate. There are problems precipitated by the attempt to anticipate them.

NATO expansion generates problems; it does not solve them.

International Herald Tribune.
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At the Least, Scratch Treaty's Article 5

THE PARTIES agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all." These hair-trigger words of Article 5 of the North Atlantic Treaty only just fall short of an automatic commitment to go to war.

When the alliance was contracted in 1949, its American authors were keenly aware that Article 5 was dangerous. Its language reflected a lesson Americans had learned the hard way: that the defense not only of the Western Hemisphere but of Western Europe is among America's enduring vital interests.

The creation of NATO was a response to the Soviet threat. The threat had to be countered by the building of an American-led military alliance, whose forward forces were stationed on the continent of Europe.

It was a costly effort, but worth it. The Soviet Union disintegrated peacefully, and Europe was delivered both from the Kremlin's domination and from the threat of war.

Now that the threat has vanished, one would have assumed that NATO would have demobilized its forces, wound up its operations and gone out of business. Or that it cautiously would have done nothing, waiting to make sure that it had made no mistake in sounding the all clear. Instead, in Brussels last week, NATO formally announced that it was going to expand. In July, it will reveal which countries will be the first to be invited to become new members.

To admit new members, the parties to NATO will have to amend the existing treaty. In amending the treaty, their first step should be to delete Article 5, or at least to limit its applicability to today's members.

Terminating or restricting the applicability of Article 5 would defuse some of the main explosive dangers inherent in NATO expansion: that the United States would be called upon to defend every contested frontier in feud-prone Central, Eastern and Balkan Europe; that the United States would overextend itself by taking its stand much too far to the east; that America would be undertaking to go to war to defend distant countries that, while we Americans wish them well, are not vital to our interests, or that guarantees would be given that, when the time came and after Americans had seen the news for themselves on TV, the country would refuse to honor.

In discontinuing or limiting Article 5, converting NATO into a more normal regional organization, we should reiterate both America's resolve to continue playing an active leadership role in world affairs and our conviction that the defense of Western Europe against potential aggressors remains a vital national interest.

— David Fromkin, chairman of the international relations department at Boston University, commenting in The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1896: Cuba Recognized

WASHINGTON — The Senate Committee on Foreign Relations by a practically unanimous vote to-day [Dec. 18] adopted Senator Cameron's resolutions *recognising the independence of Cuba*. This action was taken despite Secretary Olney's statement made before the committee that the insurgents have not a form of government sufficient to justify their recognition by the United States and other nations, and that the passage of the resolution at this time would probably precipitate war with Spain.

1921: Cabaret Reopens

PARIS — The ball of the Moulin Rouge, famous in song and story during two generations, is again open, thanks to the semi-serious, semi-humorous "Republic of Montmartre," which had charge of the opening ceremonies. Two-thousand Parisians who were fortunate enough to gain admission were shown that it is still possible to be gay without being licentious even in Montmartre.

1946: Policy on China

WASHINGTON — President Truman promised today [Dec. 18] that the United States would not interfere with internal Chinese affairs but would persevere in its effort to help the Chinese people toward internal peace and economic recovery. "We believe that a united democratic China is of the utmost importance to world peace," he said, "and a broadening base of the national government to make it representative of the Chinese people will further China's progress toward this goal. We still believe China has a clear responsibility to the other United Nations to eliminate armed conflict within its territory."

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Forget Content Ratings, Let TV Clean Up Its Act

By Frank Rich

NEW YORK — It's always heartwarming to watch show-business executives, professional child advocates, congressmen and even the president fret over the television habits of America's youth.

But after listening for a week now to the great and heated debate over the television ratings that Jack Valenti will hand down Thursday with fanfare worthy of Moses and the Ten Commandments, it is clear that the nation's parents need more protection from fatuous reformers than their kids do from "Baywatch."

The gist of the debate is as simplistic as it is beside the point. Mr. Valenti, the Hollywood lobbyist masterminding the ratings system, favors rating TV shows by age appropriateness, in the manner of the movie ratings he created 28 years ago. Everyone else wants ratings that label programming for its specific content of violence, sex or four-letter words.

What no one will say is that even if content ratings prevail — which they should and eventually will — we will still be almost back where we started. The ratings debate is not only in itself a fount of intellectually vacuous chat-show TV — how many politicians can dance on the head of a V-chip? — but is also an escapist sideshow deflecting attention from any real discussion about the coarsening of culture and the growing stranglehold of video in all its forms (including video games and the Internet's own junk programming) over America's young, who watch 1,000 hours a year of TV alone.

Parents do deserve all the information they can get in helping to guide their children's viewing habits, and if more details are added by a ratings system, that will be a plus. But only a small plus. Such ratings will solely benefit parents who are already attentive to their children's TV diet and already know much of the information these ratings will convey.

Any parent who either does not yet know or care that the prime-time hour starting at 8 P.M. is filled with sex-obsessed sitcoms — or that 10 P.M. shows like "N.Y.P.D. Blue" are not for children — or that pay-cable services like HBO and Showtime present unedited R-rated movies — is unlikely to heed detailed ratings now. And one need only look at those other ratings, the Nielsens, to see that these parents are in the vast majority.

Nor will that great push-button panacea, the V-chip, rescue parents in either camp. For this Rube Goldberg invention to be effective, parents will have to replace every set in their household or equip every one with the device — a gesture that is not only costly but, again, will be carried out only by parents already on the case.

Even those parents, however, may soon be in the market for family counseling. If they program their sets to block shows rated as inappropriate for 8 year olds, they're going to have to answer to their angry teenagers. This is assuming that a nation incapable of programming its VCRs will bother to activate the V-chip, once proudly installed.

Just as ratings and the V-chip are unlikely to change American TV habits (any more than movie ratings have elevated moviegoing habits), so the debate about them has been a sea of red herrings. Much noise has been made about the fact that it is a "conflict of interest" for Hollywood to rate its own products, for instance, but what exactly is the alternative? Who will pay for and choose the ideological complexion of a huge bureaucracy that will have to be on 24-hour call to rate 2,000 hours of programming per day?

No one has raised the more important issue of why commercials won't be rated or why violent sports also get a free pass.

But these forgotten questions, too, pale against the big one of the national addiction to junk and people's refusal to take any personal responsibility for that behavior. It is adult consumers with spending power who drive the TV marketplace and set the example for the young; if adults were serious about eliminating coarse TV, they would turn off offensive programs and refuse to subscribe to risqué cable channels. Sponsors would flee, cancellations would follow, channels would die.

American children will never grow up in a healthier electronic environment unless their parents grow up first.

The New York Times.

Stop Worrying and Let Santa Get on With His Job

By Stebbins Jefferson

WEST PALM BEACH, Florida — A modern, well-educated, pop-psychology-drenched mother is worried. Her three little boys, all under 6, believe in Santa Claus.

As Christmas approaches, the two older boys are making extraordinary efforts to be good. They aren't squabbling over whose turn it is to empty the wastebasket, feed the dog, pick up their room. They are sharing their belongings and even lecturing the baby to behave himself so Santa will leave him gifts as well.

Their father is amused by the kids' determination to reform. They seem convinced by all the stories and songs about Santa that even if no one is looking when they do something bad, the jolly old elf will know and adjust the quota of gifts accordingly.

Their mother, however, continues to worry — not about the boys' belief in Santa today but about their impending loss of belief tomorrow.

She knows the oldest boy soon will go off to school and other activities. When, as is inevitable, he learns all the facts about Santa, this boy — who has already assumed the role of leader among his siblings — is sure to inform his younger brothers of a different reality.

Then, the mother fears, her boys will believe that their parents knowingly deceived them. This betrayal of trust, she

MEANWHILE

fears, will make the children more cynical about the world than they would have been had Santa never entered their lives.

Such fears are unwarranted. As the world grows increasingly complex, we continue to make Santa a part of our lives because we need his help to serve children a dose of character-building before they confront real-world ills.

Santa's prescriptions in childhood can help youngsters begin to establish the inner sense of integrity they'll need to withstand corrupt challenges of the adult world.

Santa can inspire children to be good, regardless of whether others are watching. Assuming responsibility for their own behavior, such children not only acknowledge a standard of right and wrong; they also accept that those standards are most effective when self-imposed.

Even the youngest children can appreciate Santa's lesson that they must make choices and that each one requires thought of consequences before acting.

Of such understanding, conscience is born and reinforced. On a basic level, Santa encourages a child to practice self-control, ultimately the only kind of control that matters. More than material gifts, Santa promises the possibility of extracting order from the chaos we create with our own selfishness. Each time a child subordinates a selfish desire to dominate a game or to act without thought for others, he makes his world more orderly and peaceful.

Santa urges children to be unselfish and giving. His generosity instructs that there is joy and satisfaction to be gained from making others happy. Though parents, relatives and friends will ultimately be identified as the gift-givers, the mystique of this practice embraced in early childhood is likely to persist throughout life.

True, children will eventually learn there is no perceptible, direct correlation between the number of gifts under the tree on Christmas morning and their efforts to be good. Children will also come to know they can do a lot of bad things that go undetected by the world.

Santa's optimism, however, is that by that time a person is initiated into cynical reality, good habits will be so entrenched that aspiring for good behavior will be the preferred path, regardless of whether a visible gift is the goal. So let Santa enhance children's dreams. Let them believe in glorious possibilities for themselves.

In time, they will come to understand the larger picture: that choices between good and evil are not always easily discerned, that the world may impose limits unfairly. For the brief interlude of childhood, however, let them believe.

The writer is a columnist for The Palm Beach Post. This article was distributed by the New York Times News Service.

LETTERS TO THE EDITOR

France and NATO

Having been extensively involved in NATO affairs, first as deputy director of the Office of Regional Affairs in the U.S. State Department when this office was responsible for NATO and later (1955-57) as political adviser to two supreme allied commanders in Europe, Generals Gruenther and Norstad, I would like to place France's return to the fold in a measure of perspective.

When General de Gaulle chose to secede from NATO in 1966, while remaining a member of the alliance, he in effect retained an advantage free of charge.

As a signatory of the North Atlantic Treaty, France retained the mutual defense commitments pledged in the treaty, while freeing itself from the minor constraints resulting from the treaty's organization (NATO), which came into being under the impulse of the Korean War to back up with substance the words of the treaty.

At variance with de Gaulle's refusal to surrender control over the French armed forces is the looseness of NATO's control. For the purposes of planning and training, each member nation earmarks certain forces for NATO. But when national reasons demand, any nation can remove its forces from earmark for its use. This is what France did during its war in Algeria.

When France withdrew from NATO, it retained for a song all the infrastructure — airfields, pipelines and so forth — that had been built on its territory for the logistical support of NATO operations farther east.

When I pointed out to a French diplomat that France's position involved its getting something for nothing, he responded, with a smile: "Well, is that not the object of diplomacy?"

The object of diplomacy is also not to give something away for nothing. I trust this will not be forgotten during the present fracas about NATO's southern command.

RIDGWAY B. KNIGHT.
Paris.

Bordering on Russia

Regarding "A Bad Night in New York for NATO Enlargement" (Opinion, Dec. 13) by Richard Cohen:

Mr. Cohen writes that he is skeptical about NATO enlargement in part because "Poland, Hungary and the Czech Republic no longer border on the old Soviet Union."

Poland has a common border with the Kaliningrad enclave, which is part of the Russian Federation. This former northern port of East Prussia continues to be the largest base on the Baltic coast for the Russian armed services. Kaliningrad's principal strategic value is to project Russian armed force toward the West.

JOHN CZOP.
Paris.

White House Misuse

Regarding "The White House Hotel" (Dec. 16):

President Bill Clinton's use of the White House to raise funds for the Democratic Party makes me furious as a citizen and deeply embarrassed as a Democrat. The White House belongs to the nation as a whole. An invitation to spend the night there should be an honor and not a cynical reward for a financial contribution to the president's own party. Mr. Clinton should be ashamed.

ELAINE W. SENIGALLIA.
Rome.

'Collective Guilt'

Regarding "Face It, There Is No 'German Gene'" (Opinion, Dec. 6) by Peter Schneider:

As an American living in Switzerland, I read Mr. Schneider's article with considerable interest. I wish, however, it had been more resolute. The idea of a "German gene" is not just scientifically untenable, it is also morally repulsive. The bottom line of the Goldhagen book is racist, and there is no reason to clothe this judgment in euphemisms.

Admittedly, most writers disavow the concept of "collective guilt," but many of them very much continue to believe in it.

The argument against racism and the thesis of collective guilt is one of human rights. Article 17 of the International Covenant on Civil and Political Rights protects the right to one's honor and reputation. Article 20 prohibits incitement to racial hatred. Are Germans to be excluded from such protection?

ALFRED DE ZAYAS.
Geneva.

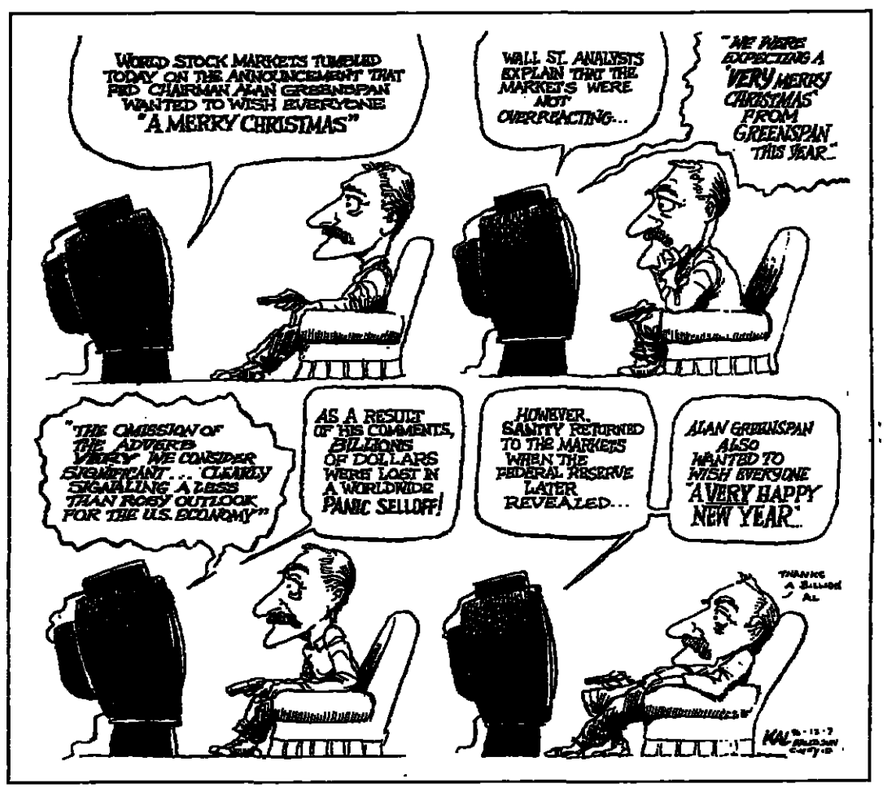
Overboard With Beer

It's Nov. 29, 1900, and what a laugh. A roof collapses under the weight of hundreds of fans watching a football game and 13 are plunged into vats of molten glass. "The hottest tickets in all of sports. ... Talk about die-hard fans!" reads an advertisement titled "Bud Sports Notes" in the Nov. 29 International Herald Tribune.

If 13 ghastly deaths can sell beer, how about the 1,500 lives lost on the Titanic ("I asked for a cold one, but this is ridiculous").

One expects Madison Avenue executives to be short on taste, but is it unrealistic to expect sensitivity from the executives at Anheuser Busch?

BILL BERENSMANN.
Lucca, Italy.



Embarrassment of Riches

MICHAEL OVITZ, erstwhile "superagent," joined the Walt Disney Co. as president 16 months ago. He leaves next month. As a consolation prize for this abject failure, sources say he will get $50 million in cash, plus stock options worth about $40 million. Mr. Ovitz should give these ill-gotten gains to charity. He'll help needy folks; he'll satisfy the guilt he ought to feel, and, best of all for a person of Mr. Ovitz's obvious egocentricity, he'll catapult to the top of the Slate 60. That's a list, invented by Michael Kinsley's Internet magazine, that ranks the biggest charitable contributors of the year. If we want to revive charity, we'll have to start with ideas like the Slate 60. Modern-day Carnegies won't part with big bucks, it seems, unless they're celebrated — or embarrassed.

— James K. Glassman, commenting in The Washington Post.

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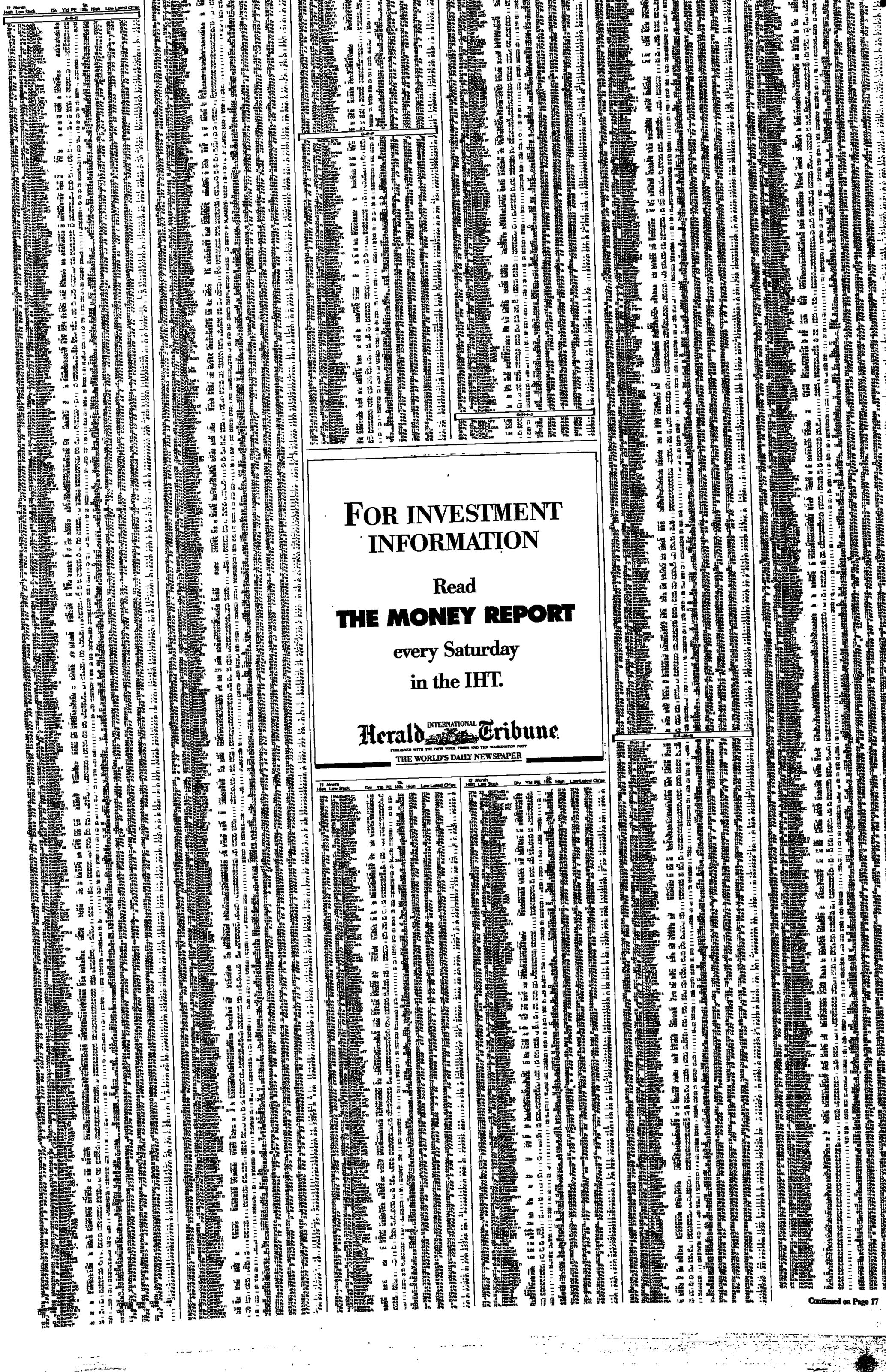

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Continued on Page 17

GREECE

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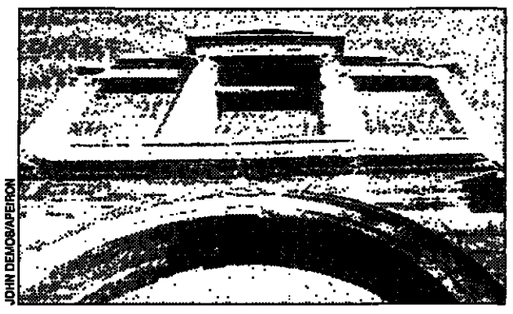
GREECE: Reaching Out

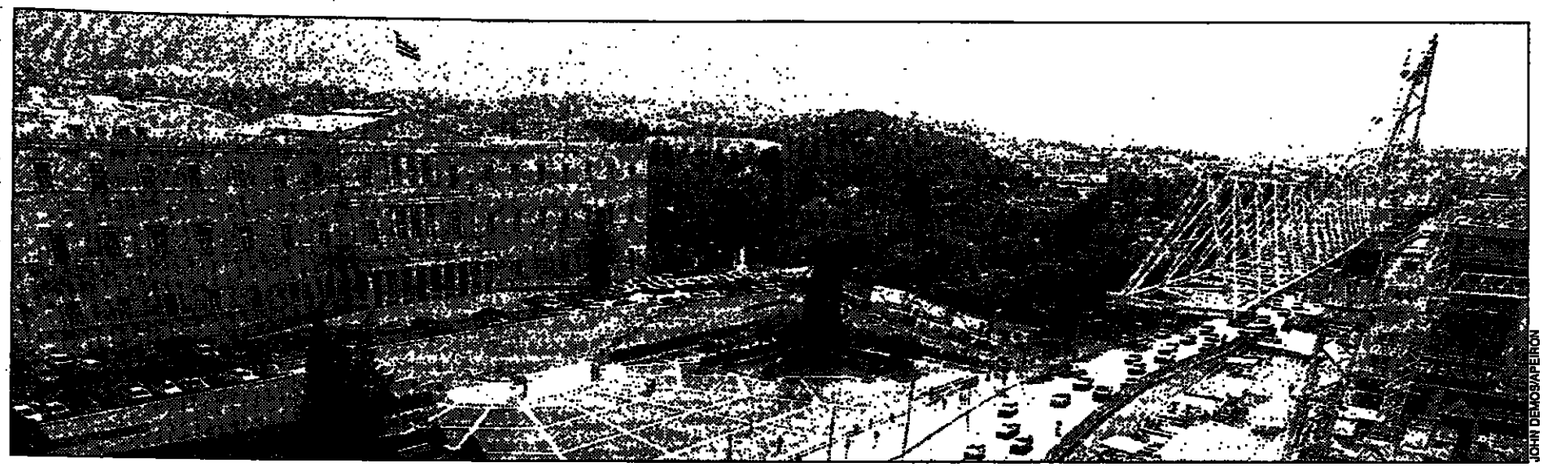
Prime Minister Kostas Simitis believes that Greece is moving inexorably toward complete European Union integration. The government is tightening its belt, and citizens are having to make short-term sacrifices in order for the country to meet the criteria for monetary union.

Greece plays a crucial role in both the Balkans and the Black Sea nations. The government considers the Balkan Peninsula necessary to political and economic stability in Europe and hopes to make the region a "dynamic partner in Europe," according to Foreign Minister Theodoros Pangalos.

As a founding member of OSEP (the Organization for the Cooperation of Black Sea Countries) and at the same time a full member of the European Union, Greece is a natural link between the European Union and the wider area of the Black Sea – an area of special geopolitical and economic significance.

At home, the Greek government is investing in infrastructure, among other things. Below is view of Athens today.


JOHN DEMOS/APEIRON


JOHN DEMOS/APEIRON

STANDING PROUD WITH OTHER EUROPEAN UNION MEMBERS

The government is gearing up for European monetary union, and businesspeople are establishing contact with their EU and non-EU neighbors.

After a long stalemate caused by the illness of the late Prime Minister Andreas Papandreou, last September Greece entered a period of renewal under Prime Minister Kostas Simitis and a revived Panhellenic Socialist Movement (PASOK).

Mr. Simitis, who succeeded Mr. Papandreou early this year, was elected PASOK leader by the Party's National Congress in June and went on to win the national elections on September 22. Having secured 162 of the 300 seats in Parliament, the prime minister and his new government declared their determination to steer the country toward complete European integration.

"European integration is a one-way street," Mr. Simitis told Parliament during his inaugural speech in Parliament following the elections.

"If we fail to meet the European challenge, we shall fall into the status of a secondary state. If we want a strong Greece, we must stand on the same level as that of other members of the European Union," he continued.

At the same time, Mr. Simitis asked his fellow citizens to work hard and contribute to the restoration of sound public finances by lowering their demands and paying their fair share of taxes.

Two main sources have created economic challenges for Greece over the past two decades: the public debt accumulated in paying for ambitious social programs, and high defense costs.

EMU

With only 40 percent of real income reported, government revenue for 1996 was estimated at $3.2 billion, leaving a deficit equal to 6.5 percent of the gross national product and an inflation rate of 8.3 percent. To meet the criteria for participation in the European monetary union (EMU), Greece should cut its deficit to 3.5 percent of the GNP and achieve an inflation rate of under 3 percent.

Jason Stratos, president of the Association of Greek Industries, says that 80 percent of industrial enterprises in Greece support the country's entry into the EMU as well as the strong measures needed for Greece to meet its criteria. "But high taxes are not enough. The government should also streamline the bureaucracy and cut down its expenses."

Both Mr. Simitis and Yannos Papantoniou, the minister of national economy and finance, believe Greece should try to enter the EMU by the year 2001. "If we fail, we will become the pariahs of Europe," says Mr. Simitis.

Mr. Papantoniou thinks that by the end of 1998, Greece will be ready for the EMU. "We will have a budget deficit equal to 3 percent of the GNP and an inflation rate of around 3 percent," he says.

Failure to join the EMU would cost Greece loss of funds from European development programs and subsidies, delays in the completion of major infrastructure programs and loss of economic stability. Finally, exclusion would have a bearing on the country's national security, "since belonging to such a political family provides for a sense of security," Mr. Papantoniou says.

The government is also trying to ensure the use of all funds provided by the European Union to complete its infrastructure projects. These projects include the extension of the Athens subway, the new Egnatia Way in northern Greece, a new airport for Athens near Spata (20 kilometers, or 12.4 miles) southeast of the Greek capital and a suspension bridge to link the Peloponnese with Central Greece.

Besides these projects and hundreds of secondary ones designed to make Greece more attractive to foreign investors, the Ministry of National Economy has established the Hellenic Center for Development, "a one-stop shop," as National Economy Minister Yannos Papantoniou calls it, to assist foreign investors.

In addition, Greek businesspeople are expanding their operations in the Balkan neighborhood by establishing joint ventures and affiliates in Albania, Bulgaria, the former Yugoslavia and Romania.

"We are placing special emphasis on Interbalkan cooperation," says Foreign Minister Theodoros Pangalos. "This cooperation is three-pronged: political, economic and human."

The minister explains that political cooperation leads to security, stability and the building of confidence among Balkan nations, while economic cooperation means the development of economic, trade and cultural ties. Finally, on the human side, it calls for joint efforts in legal matters and in combating terrorism and the narcotics trade.

Regional cooperation

The second Balkan Conference is scheduled for June 1997 in Thessaloniki. Mr. Pangalos stresses that Greece is not aiming at an "economic conquest in the Balkans."

Greek businesspeople are working feverishly to develop business in neighboring countries. There are over 200 Greek-owned enterprises in Albania, where Greeks have invested $150 million and have created 10,000 new jobs. In Bulgaria, more than 1,000 new enterprises have been established by Greeks since the fall of communism. Greek businesspeople are settling in the former Yugoslav Republic of Macedonia, where a Greek embargo imposed because of differences over the new republic's name has been lifted.

In Romania, where Greeks have an interest in trade, agriculture, electronics and tourism, 1,417 Greek companies have been established since 1991.

According to Iordanis Adamidis, general director of the Association of Northern Greece Exporters, Greek investment in Romania and other Black Sea countries is expanding fast because of strong ties with these countries through the presence of long-standing Greek communities there.

Greece hopes to make the Balkans "dynamic partners in a Europe based on the principles of peace, democracy and solidarity," says Mr. Pangalos.

John Rigos

KARAYIANNIS/PRISMA/APEIRON

Prime Minister Kostas Simitis and Minister of the Environment Kostas Laliotis inaugurate a new bridge connecting Sterea Ellada and Peleponissos at Corinth.

SPOTLIGHT

'One-Stop Shop' Makes Investment Easy

Organized by the Ministry of National Economy to help foreign investors, the Hellenic Center for Investment is scheduled to start operating in January 1997.

Ending frustration

"It will put an end to the frustrating time of foreign investors running from ministry office to ministry office trying to find information, to collect the necessary documents and to issue licenses," says National Economy Minister Yannos Papan-toniou.

The "One-Stop Shop" introduced by Portugal in 1988 helped the European Union's poorest country boost foreign investment and increase its industrial production and gross national product. Impressed by the Portuguese success, the Greek government sent a team of researchers to Portugal, Ireland and EU headquarters to study the system.

Early this year, Greece started organizing an investment center of its own, says Mr. Papantoniou.

According to Nikos Skoulas, chairman of the new organization, the purpose of the Hellenic Center of Investment, which will operate as a private corporation, will be to make life easy for both Greek and foreign investors.

"We are the investors' ombudsman. We will make sure that they do not get frustrated and that they don't reach a dead end," says Mr. Skoulas.

Prior experience

Mr. Skoulas, who has ample experience in the private and public sector in Greece and the United States, is familiar with the problems of running a private enterprise as well as a government service. He has worked as a business manager and was once the secretary general of tourism.

Starting with a staff of 40 men and women chosen for their know-how and ability in banking, commerce, investment and labor, and not for their political affiliations, the Investment Center "will take investors by the hand and lead them through the bureaucracy," Mr. Skoulas says.

JOHN DEMOS/APEIRON

The new Investment Center is eliminating frustrating delays: Investors can now take care of business at one office instead of several.

Full service

All investors requesting grants of more than $12 million will be processed by the One-Stop Shop, as will any investment over $4 million with half of its equity coming from abroad.

In addition, smaller investments that are significant to the economy will be serviced by the "shop."

Unanimous approval

The center will also advise the government on changes of rules and regulations that require legislative procedures, "especially in cases where there is an administrative vacuum and guidance is necessary," says Mr. Skoulas.

What makes the establishment of the center so promising is the fact that both the government and the opposition parties are backing the effort.

"The commitment to a professional, not a political, investment center as embodied in Law 2372 was approved unanimously by Parliament," says Mr. Skoulas.

J.R.

FOREIGN MINISTER SEEKS EQUAL TERMS FOR ALL

Foreign Minister Theodoros Pangalos wants the European Union and its other neighbors to share equality and progress.

How is Greece going to complete, or if you prefer, to consolidate its participation in the European Union?

Our basic aim is the participation of Greece in the European unification process on equal terms. This target is translated into a commitment for the drawing up of a concrete strategy with arguments and stable positions. To be more concrete, there is only one way: active participation in every negotiation, big or small, the results of which may influence decisively Greece's position and role in Europe.

At this point, we have two challenges ahead of us: the Intergovernmental Conference, which will review the Convention for the European Union, and monetary union.

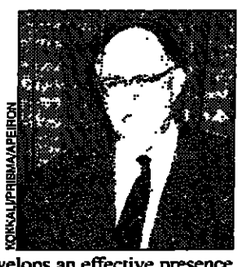
On the first one, we have made it clear that we are opposed to any effort that undermines the principle of equality among member states. There can be no separation of member states into two or more categories, either on the level of institutions or on the level of policies. This is our general position.

The second challenge concerns our efforts to meet the criteria required to enter the final stage of monetary union. We have placed our economy in an orbit of development leading to a real convergence toward the standards of the European Union. Our objectives are not unrealistic. On the contrary, they are moderate and mainly realistic and feasible.

But I must stress that our objectives are not the result of the dictates of the Union. They derive from the conviction that only on the basis of complete economic stability is development possible. We are determined, regardless of cost, to intensify our policies leading to convergence. The equal participation of Greece in the European Union, I should say, should be identified entirely with the successful course of convergence.

What is the role of Greece in the Balkans? What does this area mean to you, and what are your plans for it?

Greece's Balkan policy today means, more than at any other time, securing stability, peace, security and the inviolability of borders. It means respect for human rights and protection of minorities. It means political, economic and social welfare.


KONSKAL/PRISMA/APEIRON

Greece is interwoven [with the Balkans] by concrete geopolitical and historical factors and is determined to utilize them effectively. Failure to do so would be criminal negligence on our part. We have relative choices and objectives with concrete proposals and a three-pronged concrete strategy: a dynamic foreign economic policy with the Balkan countries that continuously develops an effective presence and participation in the efforts for political stability and restoration of the economies of the Balkan countries, and the joining of all Balkan forces.

We place special significance on Balkan cooperation: Cooperation in the political field through security, stability and the establishment of confidence measures; the development of economic, trade and cultural relations; and finally, in the human sphere, cooperation in the areas of terrorism, narcotics, customs, etc. I should also note that the Second Balkan Conference will take place in Thessaloniki in June 1997.

Greece does not want economic conquest of the Balkans. On the contrary, it aspires to the support of all for the formation of a Europe based on the principles of solidarity, peace and democracy, where political, economic and social welfare will prevail. Such a Europe cannot be formed without the presence and the dynamic participation of the Balkan Peninsula. The course and the founding of inter-Balkan cooperation constitute a guarantee for our expectations.

Greece is well liked and is in the center of interest of the Black Sea countries. What is the policy toward that area?

I must admit that this sympathy is not only mutual, but also factual, if I may use the expression. An important axis of our foreign policy is the development and strengthening of relations with these countries. These relations have a future and a dynamism. They are relations with mutual economic and political gains. Greece, as one of the founding members of OSEP [the Organization for the Cooperation of Black Sea Countries] and at the same time a full member of the Union, constitutes the natural link and channel of communications between the European Union and the wider area of the Black Sea – an area of special geopolitical and economic significance.

Our priorities are, first, to secure the necessary capital for the Bank of the Black Sea, which will be established in Thessaloniki. It is important that the bank finance joint telecommunications programs as well as the modernization of the transportation infrastructure.

Second is the development of systematic contacts between entrepreneurial circles on a bilateral or multilateral basis.

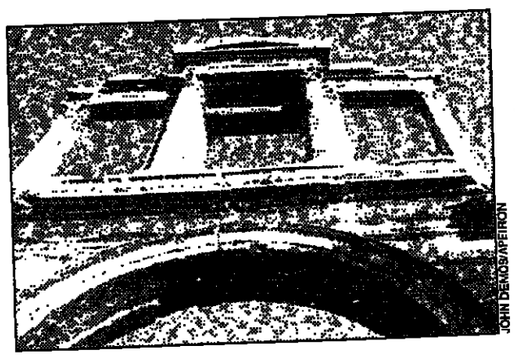
Third is the promotion of complementary activities, such as the strengthening of cooperation between countries of the area with third countries.

Fourth, one should not ignore the need for effective exploitation of the rich deposits of oil and gas in the area.

Naturally, a sine qua non for the realization of the above priorities is the creation and maintenance of a constructive political climate among the countries of the area. Greece looks forward to closer political and economic relations with the countries of the Black Sea, so that the area can play a dynamic role in international affairs.

Interview by J.R.

GREECE: Reaching Out


JOHN DEMOS/APEIRON

TELECOMS ENTER NEW POLICY ERA

The company is adjusting to new developments in technology and in the marketplace.

The Greek Telecommunications Organization (OTE) has entered a period of reorganization and modernization to enable it to maintain its present leading position and to overcome the serious problems posed by competition following the liberalization of markets and the universality of customs and exchanges. For this reason, and based on its operational plans, OTE is undergoing changes in its network and infrastructure and is working in close cooperation with international telecommunications organizations and firms.

In the framework of this policy and the attitude of OTE, one has to include the entrance of 8 percent of its capital in the Athens Stock Exchange, with a large number of the stock passing to institutional investors in both the domestic and international markets.

OTE is developing a policy of cooperation and of entrepreneurial initiatives in the wider area of the Balkans and Eastern Europe, directly or through its affiliates. OTE has already established connections in several of these countries and is the first Greek firm with such an extensive network to have the possibility to extend them further. One can say that OTE has broken its domestic exclusivity and is obtaining operational experience in fields where it has cooperative advantages. As part of this policy, OTE studies international experiences, the alliances that are struck in Europe and in the United States, and the restructuring that goes on in major state telecommunications companies in the countries of the European Union.

OTE is promoting a constructive policy toward its customers, or citizen-consumers, as they are referred to in the texts of the European Union. OTE is taking seriously the demands of society, the needs of enterprises and the pressures of the wider market area in order to improve its products and services. It also is gradually adapting its rates and its customs and at the same time using new methods and new sales tools in response to the customer. Along these lines, OTE is entering with dynamism the fields of mobile telephony, cable television and other services and products requested by the market.

OTE is trying to develop new relations with industry and with its suppliers. OTE recently invited Greek businesspeople to participate in joint entrepreneurial activities in Greece and the Balkans. It called its suppliers and stressed to them that through programmed agreements and international bids, there is a possibility of direct cooperation under two conditions: advanced technology and competitive prices.

Thanks to these conditions and the existing OTE mechanisms, trans-parency and the necessary framework benefit not only OTE, but also the national economy. Alrea-dy, indispensable departments of cost estimates, research and development are being established.

OTE is taking seriously the demands of society, the needs of enterprises and the pressures of the wider market area in order to improve its products and services

OTE wants to support Greek industry and Greek firms within the framework of a competitive market that has the margins for expansion and development. It is essential that all players show alertness to technology and cost.

OTE is creating the basis for a dynamic relationship with its employees and the trade union movement. Employees were recently given the chance to buy OTE stock. OTE seeks consensus with labor on major decisions. It wants well-paid workers, happy with their tasks, their work environment and their roles. OTE has authorized its personnel and its workers' funds to participate with it in entrepreneurial initiatives in mobile telephony and elsewhere. It invites them to take a dynamic part in the initiatives of the administration, which is of benefit to the customer. After all, the expansion of the market sought by OTE secures jobs in its affiliates and in the departments of the new market for services and products.

The existing legislative framework for OTE and other public sector enterprises is good and up-to-date. OTE, however, feels more than the state enterprises the pressures of the market and of the stock exchange. For this reason, it needs freedom in terms of its affiliates because they are the new tool for penetrating the markets and becoming competitive. It needs wider policy margins in telecommunications matters, the community of information and the spread of multimedia. It needs wider margins to penetrate the Balkans and Eastern Europe.

Finally, the regulatory framework and its relationship with the National Telecommunications Commission, a new institution of decisive importance, presents new challenges and sets the rules for the market, competition and consumer protection.

The market is tough and merciless. OTE will conform entirely to the demands and the instructions of the European Union. Through its programs, OTE is seting out clearly its role in the period following its transformation from a monopoly with invisible and unknown aspects into a modern enterprise of the European market. It will succeed if it moves without delays or mistakes.

Dimitris Papoulias,
president of OTE

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PROGRAM DIRECTOR: *Bill Mahder.*
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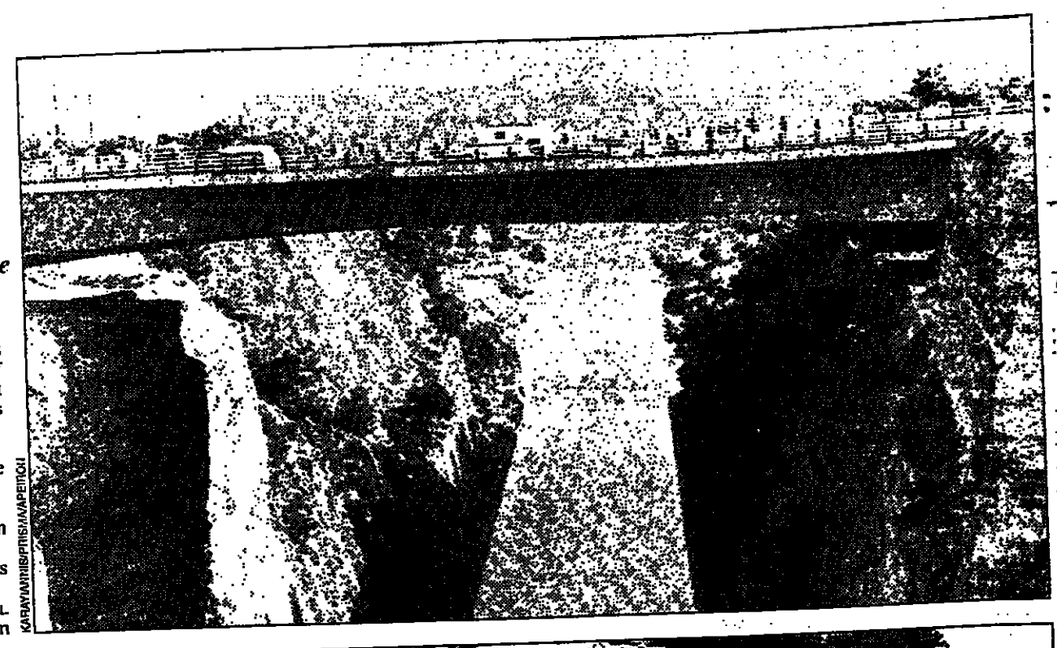
THE ROUTE TO THE 21ST CENTURY IS OFF THE ROADS

Airport and subway improvements are some of the many infrastructure projects under way.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JOHN DEMOS/APEIRON

A new suspension bridge (top) will link Western Greece and the Peloponissos; the tunnel at Evinos River (bottom) will transport water to Athens.

Greece's Socialist government has cut down on wage increases and social benefits, but not one penny was taken from the funds earmarked for a number of major infrastructure projects. These are being carried out with European Union support and are paving Greece's road into the new millennium.

The projects include:

- A suspension bridge that will unite Western Greece with the Peloponissos.
- The new Athens airport at Spata.
- The Egnatia Way, connecting the ports on the Ionian Sea with the Greek-Turkish border.
- Improvement of the system of dams that supplies Athens with water.
- A pipeline for the transport of natural gas from Russia.
- Improvement of the existing road and railway system and the completion of the Athens subway.

Progress report

After many delays, work is about to start on the suspension bridge that will link Peloponnisos with central Greece. The $400 million project will span the Gulf of Corinth between Rio and Antirio, a distance of 1.8 kilometers (1.19 miles). By bringing the area closer to Athens and to the center of economic life, it will boost the economy of western Greece.

Work has also started on the construction of the $2 billion Athens Airport at Spata, 20 kilometers southeast of the Greek capital, which will be able to handle 50 million passengers annually. It will be ready well before 2004 – the year that Greece hopes to organize the Olympic Games in Athens.

In connection with the INTERREG Program of the European Union, most of the smaller Greek airports serving the islands of the Aegean and the Ionian Seas are also undergoing a modernization phase. On smaller islands, the same program is providing heliports. In view of the needs of the new Athens airport for moving sidewalks and escalators, Schindler, a Swiss builder of such equipment, has established an affiliate in Greece.

The construction of the new Egnatia Way, linking the Adriatic with the Greek-Turkish borders and eventually Constantinople, is continuing with EU support.

A dam at Evinos River in central Greece, together with a 30-kilometer pipeline connecting it with other dams supplying water to Athens, is near completion. This $200 million project will relieve the pressure on the city's present water needs.

Greek officials estimate that the new Gurgas (Bulgaria)-Alexandrouppolis pipeline for the transport of natural gas from Russia will be inaugurated in January 1997, when senior Russian government officials are scheduled to come to Greece for the occasion. The gas will be transported from Russia by tankers to the Bulgarian Port of Burgas and then piped to Greece. Most of the gas will be used to replace lignite and other oil for the production of energy. Part of the gas will be used for the needs of the inhabitants of the Athens area, where a pipeline network is still in operation.

New subway

The most ambitious project under way is the extension of the Athens subway. At a cost of 2 million Ecus, the project will add two new lines, 18 kilometers long, to the existing one connecting Athens with the port of Piraeus and the suburb of Kifissia, 10 kilometers north of the capital.

Now being constructed by an international consortium of 23 firms employing 3,400 workers, the Athens Metro is 50 percent complete. It would have been finished by 1997 if the subterranean levels of Athens were not loaded with antiquities, according to Attiko Metro President Leonidas Kikyras.

The estimated completion date is the year 2000, provided there are no more archaeological surprises. Almost 90 percent of the cost is covered by loans and subsidies from the European Union and the European Investment Bank.

The subway extension program provides for one line from Sepolia to Dafni, with 12 stations and a length of 9.2 kilometers, and another line from Pentagono to Keramikos, 8.3 kilometers long, with nine stations.

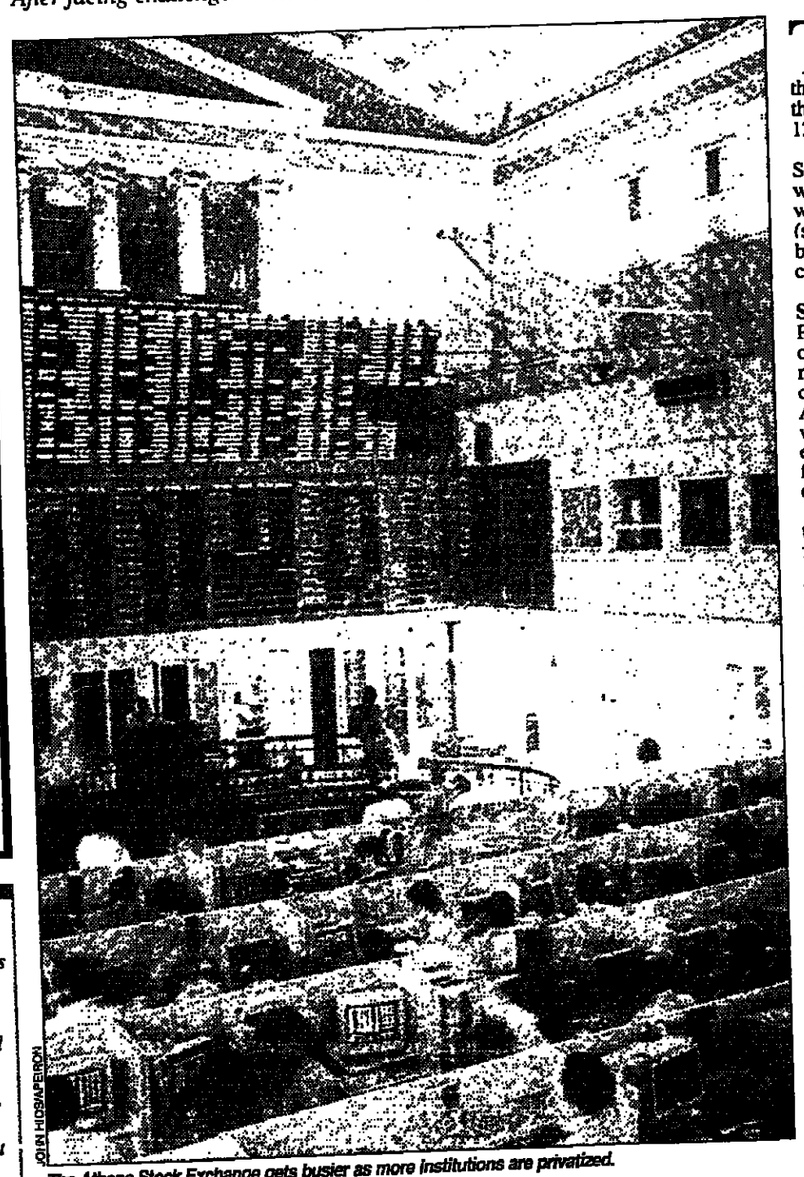
Once completed, the Metro will have a daily capacity of 450,000 passengers, in addition to the 350,000 passengers carried by the existing Metro line today. It will relieve the center of Athens of some 125,000 vehicles daily.

Athens wasn't built in a day

The new Athens Metro will be the first step for a city that seeks to restore the glory of 25 centuries ago, when it was the queen of Greece, says Mr. Kikyras. It will have parking facilities in selected stations, closed-circuit television for security and facilities for people with special needs (e.g., elevators, designated areas within stations). "We are building day by day the biggest and most modern project in the transport sector in Greece and one of the biggest in Europe," says a spokesman for the Attiko Metro. J.R.

STOCK EXCHANGE EXPECTED TO RALLY DESPITE SETBACKS

After facing challenges such as a surfeit of brokerages, the ASE is back on track. In addition, upcoming privatizations will strengthen the exchange.


JOHN HIOS/APEIRON

The Athens Stock Exchange gets busier as more institutions are privatized.

The Athens Stock Exchange (ASE) is slowly getting back to normal, with indications of a rally by the end of the year, despite the fact that it closed for three days last month for the first time in its 120-year history.

The ASE closed because Delta Securities paid the ASE's clearinghouse with checks that bounced. The amounts were said to total 2.6 billion drachmas (some $10.8 million). Three senior members of Delta Securities' board were charged with criminal fraud.

Strict deadlines

Persistent settlement problems and a wave of strikes protesting the Socialist government's most austere budget in 15 years caused some agitation in the stock market. A few weeks ago, a string of brokerages was banned from trading by stock exchange authorities for a single day for failing to meet a rigid settlement deadline of 48 hours.

ASE authorities began strictly applying the settlement rule and punishing offenders following the Delta Securities incident.

"If we can put the settlement problems behind us, there is a chance of a rally before year-end," says Apostolos Constantinides of Alpha Trust-Hambros Hellenic.

Too many brokers?

One of the main problems, analysts believe, is that there are too many brokerages. Given deregulated commissions and a flat, depressed market, the market was unable to sustain 65 brokers.

"When commissions were liberalized, it became obvious that the Athens Stock Exchange could no longer provide enough income for 65 brokers," says ING Barings, a financial consulting firm, in a report.

The firm figured that the average daily volume was about $30 million. A rough average suggests that each of the 65 brokers earned only $30,000 in gross commissions each month.

This may have highlighted flaws in the Athens Stock Exchange's administration. Four of the five members of the board of directors of the Athens bourse even threatened to resign.

ING Barings said that, in its view, this was a teething problem associated with the government, which was slow to react at first. It eventually reacted appropriately by injecting liquidity and legislating measures to restore short-term confidence in the system.

As Prime Minister Kostas Simitis said in Parliament recently: "The stock market didn't collapse. It was one brokerage that collapsed."

Privatization

The government's 1997 budget, which is expected to amount to 1 trillion drachmas in savings for the state, also brought to the forefront the subject of privatization of state-owned operations. In the past, the Socialists have been reluctant to carry out large-scale privatization of government-owned entities. At a recent conference on the economy, sponsored by the Hellenic Chamber of Commerce, industrial and business leaders slammed Greece's slow pace of privatization, saying competitiveness had reached rock bottom.

Large profit margin

One step in the right direction was the government's partial privatization of the Greek Telecommunication Organization (OTE), which reported first-half pretax profits of 125 billion drachmas, with full-year pretax profits projected at 259 billion drachmas.

Development Minister Vasso Papandreou recently announced that privatization procedures for the Elefsis shipyard would get under way immediately, with a four-member committee to begin negotiating with prospective buyers.

The Neorion Syros shipyard, which was only recently successfully privatized, and foreign-based shipyards in Korea and Japan have already expressed interest in the Elefsis shipyard.

Fast track

The Greek government also decided to speed up the privatization of 13 companies remaining under the control of the Organization of Ailing Enterprises (OAE). Established in 1983, the OAE grouped under the State's umbrella a number of unhealthy private companies that were about to close down. When the OAE closes, companies under its control that are not privatized will be liquidated. J.R.

GREECE: Reaching Out

THESSALONIKI IS CULTURAL CAPITAL OF EUROPE BEGINNING NEXT MONTH

The city is the first in the European Union to be elected after the 15 capital cities were honored.

When the European Union decided to elect Thessaloniki as Cultural Capital of Europe for 1997 four years ago, the city already had a history of 2,307 years under that name.

During the Archaic Period, settlements existed in the area, the most important of which was Thermi. In 315 B.C., Cassander named the city "Thessaloniki" after his wife, daughter of Philip II of Macedonia and half-sister of Alexander the Great. Under this name, Thessaloniki became the capital of the kingdom of Macedonia, founded by Cassander.

During the next 23 centuries, Thessaloniki held the dominant position in the area and became the home to various other cultures – a costly advantage, as this was mainly the result of raids and conquests by invaders. The Roman, Byzantine, Slavic, Judaic and Islamic civilizations were grafted on to the Hellenistic civilization of Cassander and the descendants of Alexander.

By the end of the 19th century, Thessaloniki had blossomed into a cosmopolitan and multicultural city. Today's flourishing Armenian and Jewish communities (the latter nearly decimated during the Holocaust) help the city maintain that character to some degree. The striking coexistence of various cultures, whose traces are still visible in some of the streets and neighborhoods of the city, was the main reason behind the decision to elect Thessaloniki as the First Cultural Capital of Europe after the completion of the first cycle, which awarded the title to all of the capitals in the 15-member European Union.

First priority

Greece's new culture minister, Evangelos Venizelos, has already stressed that his *top priority is Thessaloniki* and its role as the 1997 Cultural Capital of Europe.

"It will be a cultural capital," he says. "It won't be the construction capital of Europe." He adds that most of the preparations for next year will be of long-term benefit to the city.

Events begin on Dec. 15 of this year, but the official opening takes place on Jan. 17, 18 and 19 – the dates designated by former Culture Minister Thanos Mikroutsikos.

On New Year's Eve, a train loaded with exhibition equipment from Copenhagen will arrive in Thessaloniki to transfer the keys of the outgoing cultural capital to the new one.

Even though Thessaloniki has enjoyed continuous development since its liberation in 1912 from the Turks, who conquered the city in 1430, it never acquired the necessary infrastructure that would allow it to host a wide range of cultural events. This lack has determined the nature of the projects planned, which will help carry the city into the 21st century.

Main projects

Among the most important projects are:

- The Institute of Macedonian Studies Theater, being renovated and modernized to host the inauguration ceremony of the Cultural Capital of Europe on Jan. 1, 1997.
- The New Royal Theater, located near the White Tower, being converted into a major European theater and a venue for theatrical productions, concerts and films during the Cultural Capital year.
- The Cultural Center of West Thessaloniki, entailing the restoration of the Lazarist monastery and its completion with the addition of a new wing. This new cultural center will comprise a theater, exhibition areas, a conference center, a library and a guesthouse.

Top-notch performances

Thessaloniki will welcome 1997 with a cultural program worthy of its name. Starring artists from Greece and abroad will include British actor Peter Ustinov, Italian director Franco Zeffirelli, stage director Peter Brook, cellist *Mstislav* Rostropovich, violinist Yehudi Menuhin, and composer Mikis Theodorakis.

Panos Theodoridis, artistic director of the Organization for the Cultural Capital of Europe, believes that the program, entitled "A Festival of Ideas," will be "remembered by a whole generation."

Among the events scheduled are a major exhibition of the Mount Athos holy relics; a tribute to Greece's Nobel prize-winning poet Odysseas Elytis; Puccini's opera "La Bohème" by the Lyriki Skini (National Opera of Greece), directed by Franco Zeffirelli; a tribute to Manos Hatzidakis; an exhibition of Goya engravings; an exhibition of Michelangelo drawings; a major exhibition on Alexander the Great; a gala performance of Andrew Lloyd Webber musicals; "Beckett," directed by Peter Brook; the La Scala of Milan Philharmonic Orchestra; the St. Petersburg Ballet; and many other shows.

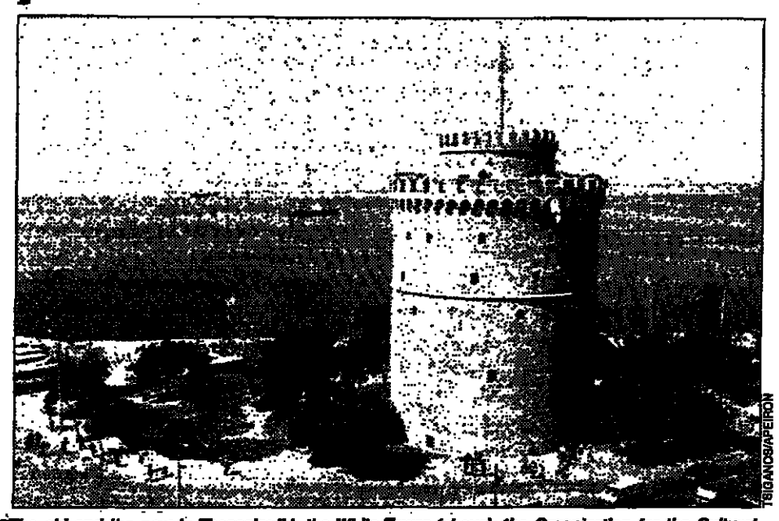
The long term

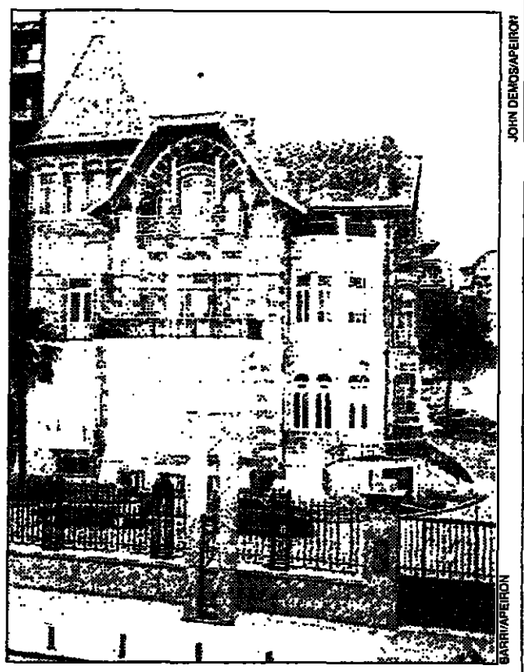
One of the most important goals of the Organization for the Cultural Capital of Europe is to develop long-term projects that will meet the needs of the cultural program and benefit the people of Thessaloniki.

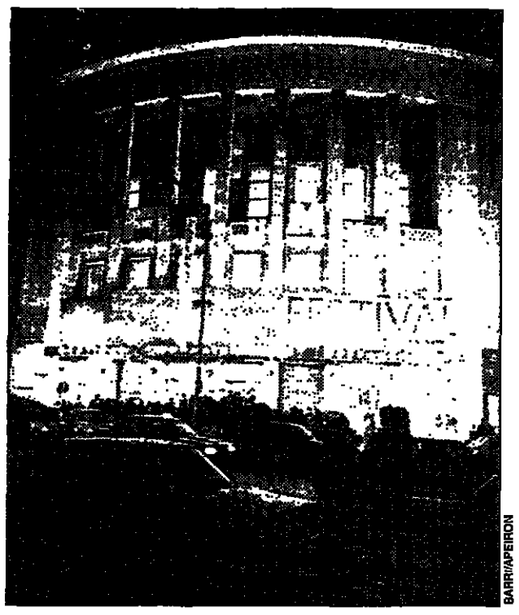
As a result, the following have been built or are currently under construction: the Museum of Photography, the Museum of the Cinema, the Museum of Contemporary Art, an art gallery and several other buildings.

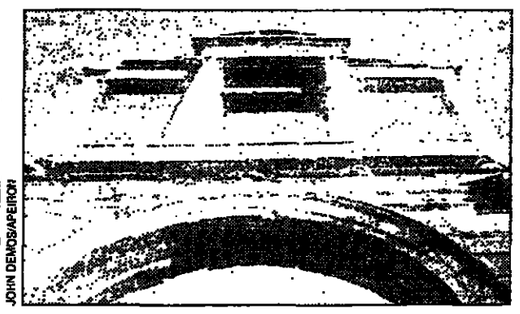
The 311 major and minor projects that comprise the organization's construction project will be completed by February 1998. This momentous program, with a budget of 63 billion drachmas (some $260 million), constitutes a complex technical undertaking and underscores the prospects for the city at the dawn of a new century.

J.R.









The old and the new in Thessaloniki: the White Tower (above); the Organization for the Cultural Capital of Europe building (upper right); and the Theater of the Institute of Macedonian Studies (lower right), site of an international film festival.

MINISTER FACES DILEMMA: FOCUS ON OLD OR NEW?

The past, present and future form "a rainbow with ends that meet."

In addressing the international community, I face a dilemma as Greek minister of culture: Should I emphasize something as obvious as the classical culture that Greece inherited, or should I try to reveal the wealth of contemporary Greek creativity?

The answer lies in the timelessness of Hellenic culture.

Classical culture in Greece is traced not only in museums but also in the active memory and is the source of inspiration for those creators who sense the perpetuity of history and language. The classical Hellenic world, Byzantium, the new Greek state, Hellenic culture at the dawn of the 21st century – all of these form a rainbow with ends that meet.

There is, naturally, the historic vigor of the Hellenic cultural heritage that forms part of the world's cultural wealth, yet this certainly does not limit the strong drive to increase Greece's stature throughout the world.

In this vein, Athens's bid for the 2004 Olympic Games is based on its remarkable infrastructure and organizing skills. We believe that the city's historic credit is self-evident for the cultural world and, therefore, further reference is needless.

The culture of the third millennium cannot be anything but the culture of that social era.

The culture of the new economies of spare time will provide the answer to the vital social and political issues of development, employment, preservation of cultural heritage and cultural equality among all countries.

I have already invited my colleagues, the ministers of culture of the European Union, to visit Thessaloniki, Cultural Capital of Europe for 1997, next month and to join me in discussing issues like the ones above.

It is our duty to give a direct and clear political answer to the concerns of the modern citizen of this country.

Evangelos Venizelos,
minister of culture of the Hellenic Republic

THIS SEASON'S CULTURAL LIFE LACKS LITTLE

Music is the main focus this winter, and the amphitheater fills up when the weather warms up.

The ancient city of Thessaloniki may be the 1997 Cultural Capital of Europe, but it is only part of the brilliant cultural life that exists in the rest of Greece all year round.

The Megaron Athens Concert Hall and the Athens Festival stage artistic events that thrill hundreds of thousands of Greeks and foreigners who visit Greece every year. Both were conceived four decades ago.

The inspiration and drive to create a cultural center in Athens were provided by the great singer Alexandra Triandi, first president of the "Friends of Music" society. The site was donated by the state in 1956, and the planning and construction of the structure were completed in the 1970s.

Innovative technical solutions, together with rare materials, were applied to the project. The building has massive white Doric facades of Dionysos marble, which were placed so that they do not touch the structure but are "suspended" from it. The Concert Hall's interior wood paneling was transported piece by piece from Germany.

The Athens Concert Hall's Hall of the Friends of Music has a capacity of 2,000, and the smaller hall, the Dimitris Mitropoulos Hall, seats 500.

The current program

A number of musical events have been scheduled for the Athens Concert Hall in December, including a Christmas Season Cycle that will present La Camerata Orchestra of the Friends of Music performing Christmas concerts (Dec. 25 and 26), Nicolas Kynaston in an organ recital (Dec. 27), Austrian and Hungarian Melodies (Dec. 28-29), and Popular Classics (Dec. 30).

Giuseppe Verdi's opera "Macbeth," starring the Romanian baritone Alexandru Agache in the title role and Bulgarian soprano Ghena Dimitrov in the role of Lady Macbeth, will be staged Jan. 20, 22, 24 and 26.

To commemorate the 200th anniversary of the birth of Franz Schubert, the Athens Concert Hall will present two internationally famous orchestras, the Revolutionary and Romantic Orchestra, conducted by John Eliot Gardiner (Jan. 30-31), and the Symphony Orchestra of the Maggio Musicale Fiorentino, conducted by Zubin Mehta (Feb. 4-5).

The Athens Festival was born 41 years ago and, despite its trials and tribulations, has become one of the world's most prestigious summer events, attracting the greatest names in music from every corner of the globe. Maria Callas, Dimitri Mitropoulos, Leonard Bernstein and Rudolf Nureyev are just a few of the stellar performers who have appeared at the festival in the past, as well as the Kirov Opera, the Bolshoi Ballet with Vladimir Vassilief-Ekaterina Maximova, the Royal Ballet of Covent Garden and the Alvin Ailey Dance Theater.

The Athens Festival has been the source of controversy over the years. Carolos Koun's "Birds" in 1959, Merce Cunningham's experiments in theatrical dance in 1976 and the Greek National Opera's "Othello" in 1985 were all resoundingly booed. "Birds" was even banned from subsequent performances, although it was later rehabilitated and became a huge international success.

Increasing competition in the 1990s occasionally made it difficult for the Athens Festival to attract prestigious names, but it managed to present Luciano Pavarotti and Christina Hoyos in 1991, the Academic State Symphonic Orchestra of Federal Russia with Fyodor Glushenko and Mstislav Rostropovitch as soloists in 1993, Peter Hall's "Hamlet" with Stephen Delaney, the Lyon Opera Ballet with "Romeo and Juliet" and the Vienna Philharmonic with Riccardo Muti in 1994.

The finest in entertainment

The Athens Festival runs from mid-June to the end of September, featuring international symphony orchestras playing the music of Bach, Beethoven and Mozart; the finest national ballet companies; and top actors performing the plays of Aristophanes and Shakespeare. The summer 1997 schedule is now being drawn up.

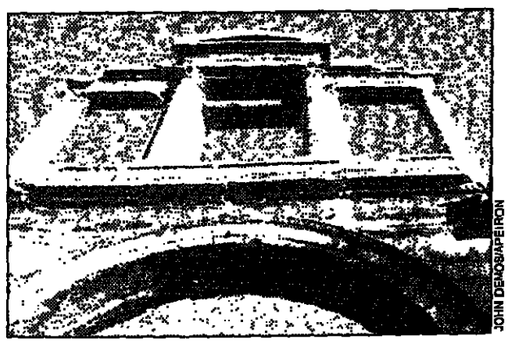
Unique venue

The Athens Festival is an institution that offers artistic events of the highest standard. It is the only festival in the world where the performers in the ancient Theater of Herod Atticus can raise their heads slightly and see the Parthenon looking down upon them from the Acropolis.

J.R.

The Friends of Music Hall seats 2,000. Christmas music, Verdi and Schubert will be honored this season. The singer Alexandra Triandi was the original "Friend" who inspired the concert hall.

GREECE: Reaching Out


JOHN DEMOS/APEIRON

OTE Will Soon Introduce Its Mobile Phones

The company has the best available technology and is looking for a strategic partner.

After allowing the private sector to penetrate the mobile telephony market, the Greek Telecommunications Organization (OTE) is ready to invade this area with the most advanced digital cellular network, based on DCS 1800 technology, according to General Director George Skarpelis.

"We plan to invest $380 million in developing this network over the next five years, and we have already paid nearly $63 million of this program to obtain the license," he says.

Last year, the state granted OTE a Special Operation License allowing it to develop, operate and exploit the mobile telephone system DCS 1800. The company has already paid the above sum for the use of the respective frequency bands.

By the year 2001, OTE executives expect to cover the area where 85 percent of the population lives.

"Our aim is to capture around 35 percent of the Greek mobile telephony market. We are currently selecting a strategic partner that will bring both capital and expertise," says Mr. Skarpelis.

Most advanced system

The system that OTE has chosen offers valuable advantages over the competing private GSM (Global System for Mobile Communication) operators, STET Hellas and Panafoon. The DCS 1800 system offers more services, more sophistication, mass market appeal and more customer options. OTE will also have a distinct advantage over its wireless competitors through name recognition and its ability to bundle services.

The DCS 1800 system is considered the most advanced terrestrial mobile telephony system of our times since, contrary to other systems, it offers better coverage inside buildings and – owing to its high capacity – can satisfy the needs of a larger number of subscribers.

Action plan

OTE hopes to gain about 30 percent of market share by the year 2000 and is ready to exploit the technology in 1997, starting with Athens, Thessaloniki and Patras.

"We plan to cover 90 percent of the population within the first five years," says Mr. Skarpelis.

In May of last year, OTE established the Office of Mobile Telecommunications, which undertook the task of developing the network.

In June, OTE hired Alpha Finance as an external adviser that will collaborate with Telecom Finland and a Greek law firm to handle business and legal questions about establishing and operating the subsidiary.

In August, it established the subsidiary and nominated its board of directors.

Also in August, it delegated to CS First Boston and Alpha Finance the task of finding a partner specialized in the mobile telecommunications sector. Already, 15 companies have contacted OTE and shown interest in participating in this project as manufacturers or network operators. **J.R.**

Cable Television Is Expanding Its Horizons

In terms of both technology and geography, the company has great plans for growth.

The Greek Telecommunications Organization (OTE) has announced its entry into the field of cable television. According to OTE President Dimitris Papoulias, the giant organization is establishing an affiliate company with the participation of Greek State TV (ET) and plans to invest over $300 million in the venture.

OTE has already picked Telecom Italia and Bell Core as advisors in the project and does not exclude the possibility of reaching a further agreement with a strategic partner.

The company has been awarded an exclusive license to own and operate the cable TV infrastructure throughout Greece, and in partnership with ET, it has exclusive rights to offer cable programming.

According to OTE officials, the company will invest up to $350 million over the next four years to establish a network that will allow it to cover half a million homes throughout the country. Under the terms of the license, the company must reach certain quality targets by the year 2003.

Canvassing the country

OTE has decided to provide its customers with a digital broadcasting system that will cover the whole country. One of the advantages of this interactive system is that subscribers can call up and watch any TV program, regardless of when it was shown.

The necessary infrastructure for the launching of a pilot program should be ready by the end of 1997, when OTE will decide whether to go it alone or to seek a strategic partner.

Already the Ministry of Public Works has allowed the operation of two limited Channel TV programs in two Athens neighborhoods. The Exarchia network has 12,000 subscribers and Plaka has 8,000. Both are scheduled to come under OTE control, and they might be used as pilots for the system that OTE intends to promote. **J.R.**

Largest Firm Gets Ready For Competition

When the telecommunications monopoly ends, OTE wants to be ahead of the game.

With total revenue equal to 2.5 percent of the country's gross domestic product, the Greek Telecommunications Organization (OTE) is the largest company in Greece and one of the largest in Southern Europe.

Established in 1949 through the merger of the state telegraph company with the Greek telephone company and the Greek affiliate of Cable and Wireless to provide telephone and telegraph services, OTE grew into a giant company. As the only fixed telephony provider in Greece, with 5.3 million lines in service, it has over 5 million customers – half the population of the country. It has a staff of 24,000. Its profits before taxes in 1996 are estimated at $1.2 billion and after taxes at over a half-billion dollars. With revenues of $2.5 billion last year, OTE had a net income before taxes of $830 million.

"Our mission is to consolidate our position as the dominant telecommunications company in Greece, so that when our domestic monopoly ends, we have a commanding lead in the complete range of voice telephony, wireless and other emerging telecommunications services," says OTE General Director George Skarpelis. According to existing agreements, OTE's Greek monopoly will end in the year 2003, but the European Union's deadlines may change that.

Going public

Two years ago, OTE gained complete independence in formulating policies and setting rates before introducing its shares to the Athens stock market. With the same decision, OTE's profits ceased to cover the deficits of the Greek post office.

After the sale of 8 percent of its stock through the Athens Stock Exchange, the Greek government is still the major owner; with 92 percent of the stock, it can appoint seven of the 11 members of OTE's board. Still, OTE's managers are given plenty of room to run the company as a competitive business.

With this background, OTE's future is guaranteed, despite the European Union's dictate to end its monopoly by the year 2003.

"Our dominance will be based on the competitive quality of our products and services," says Mr. Skarpelis. "Our success today, just as much as in the future, depends on our ability to serve both customers and shareholders."

The high-tech '90s

The 1990s have ushered in videotex, videoconferencing and audiotex, as well as an ISDN (Integrated Services Digital Network) pilot network that allows the transmission of voice, data and images through one digital line.

OTE has been given the license to establish a private virtual network (PVN), enabling it to enter and expand in Greece's fast-developing mobile telephony market. Using DCS 1800 technology, it will be able to offer a wider, more sophisticated range of cellular services. OTE also has the right to establish cable television in Greece.

The company is planing to invest $300 million in this venture alone. This investment, together with the other plans for the company's expansion, was approved by the European Union, which will continue to monitor OTE's progress.

Digitalization

OTE's directors make it very clear that they aim primarily to satisfy their customers' basic needs and to increase the company's revenues by tapping new markets or making old ones more profitable.

Digitalization of telephone lines will be the first step toward increased revenue. Although telephone penetration in Greece has been very high, revenues per line have been relatively low. More than 40 percent of the country's population lives within the Athens local exchange and is not time-charged on the analog network under the current system. Thus, present revenues from local telephoning will nearly double.

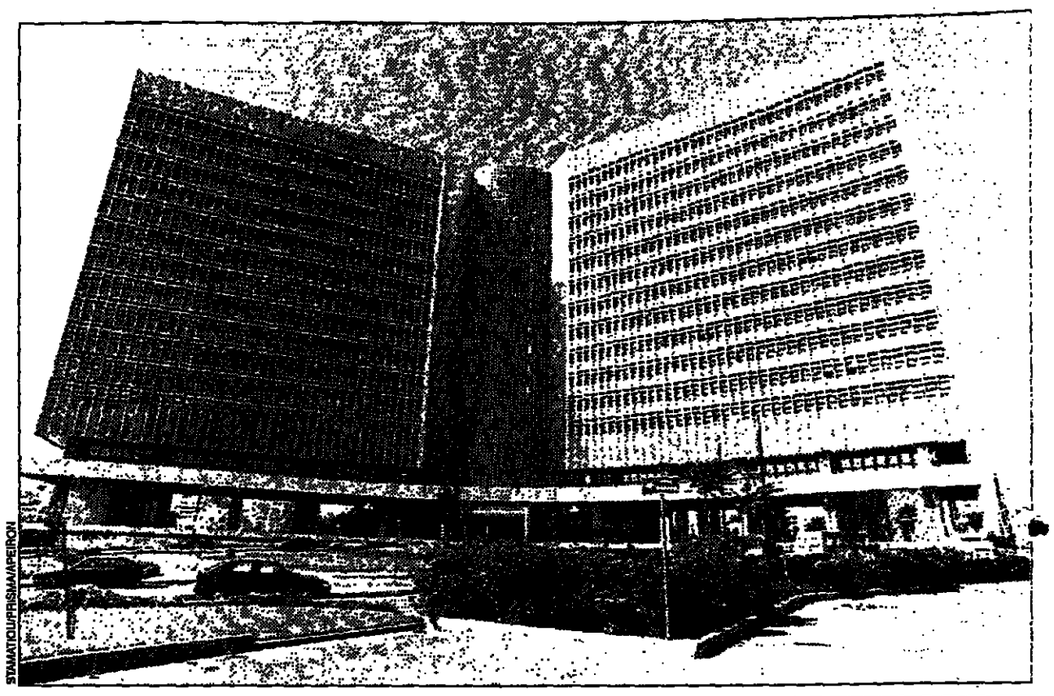
OTE plans to further increase its revenue by introducing new value-added services such as voice mail, call-redirection and call-waiting. By increasing the number of completed calls in this way, OTE can further boost revenue from its fixed telephone network.

Ready, set . . . mobile

So far, OTE has stayed out of mobile telephony, but it is now proceeding toward the establishment of a cellular network based on DCS 1800 technology and has earmarked $380 million for the development of this project over the next five years.

"By the year 2001, we expect to cover 85 percent of the population. Our goal is to capture around 35 percent of the Greek mobile telephony market," says John Patergiannakis, general technical director. Currently, OTE is in the process of selecting a strategic partner that will bring both capital and expertise to the venture.

To prepare for competition after its monopoly ends, OTE has also decided to hire a professional manager who specializes in both management and telecommunications. In this manner, the day-to-day operations of the company, as well as its long-term planning, will be in the hands of a qualified person and not an appointee of the government or even of the board. This should help make OTE not only the largest and most profitable company in Greece, but also the most professionally managed. **J.R.**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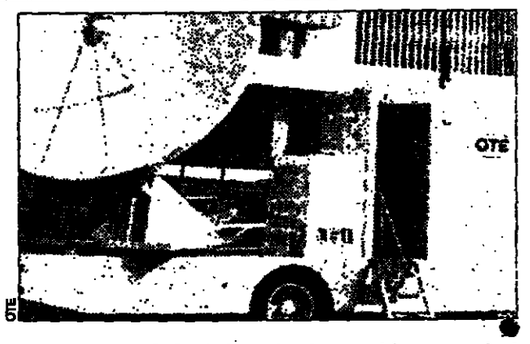

OTE

OTE's headquarters in Athens (above) and one of its satellite dishes (right). The 1990s have ushered in powerful technological advances at Greece's largest company.

Women Make Their Mark In Business

Tourism, public relations, insurance and export-import are just a few of the domains.

Ancient Greece had its cultivated courtesans, the hetaerae, but modern Greece will be remembered for its businesswomen. According to the Greek Statistical Service, more than 200,000 Greek women are entrepreneurs. This is the case primarily in trade and services.

According to the leading economic publication Oikonomikos Tachydromos, businesswomen are to be found mostly in tourism, advertising, insurance, import-export and specialized shops.

"The female element is well suited to fields extending services. Women are more sensitive and have more imagination than men," says Jina Mamidaki, who runs a hotel chain, as do several other women.

Eugenia Chandris, member of a leading shipping family, runs the Chandris Hotels and the cruise ships owned by her company. "Women understand other peoples' needs and know how to take care of them. Hotels are like big homes."

Women entered this field immediately after the end of World War II, when tourism enabled Greece, a country with a limited industrial potential, to earn foreign currency. One of the first women entrepreneurs was the late Marika Kapsis, who built modern hotels in Thessaloniki and on the island of Crete.

Pioneers

In the local trade and import-export businesses, women run thousands of companies. Some of them are pioneers in their field. Mary Bali excels in the import and sale of cigars, traditionally a male stronghold.

The Greek Exporters Association elected Christina Sakellaridis, a successful exporter, as its president. "The best man for a job is a woman," says a plaque on her desk. Ms. Sakellaridis admits that women in decision-making positions are not numerous, but their numbers are increasing.

Jewelry chains

Jewelry is another field in which Greece has shown substantial progress thanks to the excellent skills of its artists and the business acumen of Ilias Lalaounis.

Maria Papastamou, who managed the Zolotas firm, is now running her own business. Demetra Lalaounis, daughter of Ilias Lalounis, is assisting her father in running their multimillion dollar international chain. Their younger sister Ioanna directs the Jewelry Museum established by her father at the foot of the Acropolis.

Largest bookstore

Two other sisters, Marina and Sofia Eleftheroudaki, who inherited their father's bookstore, have expanded their business and made their store the largest in the Balkans. Alexandra Palli runs the largest stationery shop in Greece, while 28-year-old Daisy Maniatopoulou is the importer of Porsche and Renault cars in Greece.

Greek women have an impressive presence in the field of advertising and public relations as well. Several advertising agencies, including BBDO Athens and DMB&B – two of the largest advertising companies in Greece – are run by women.

Largest mining firm

Although the entrance of women in the industrial sector was slower, some of the most successful industrial firms are run by women.

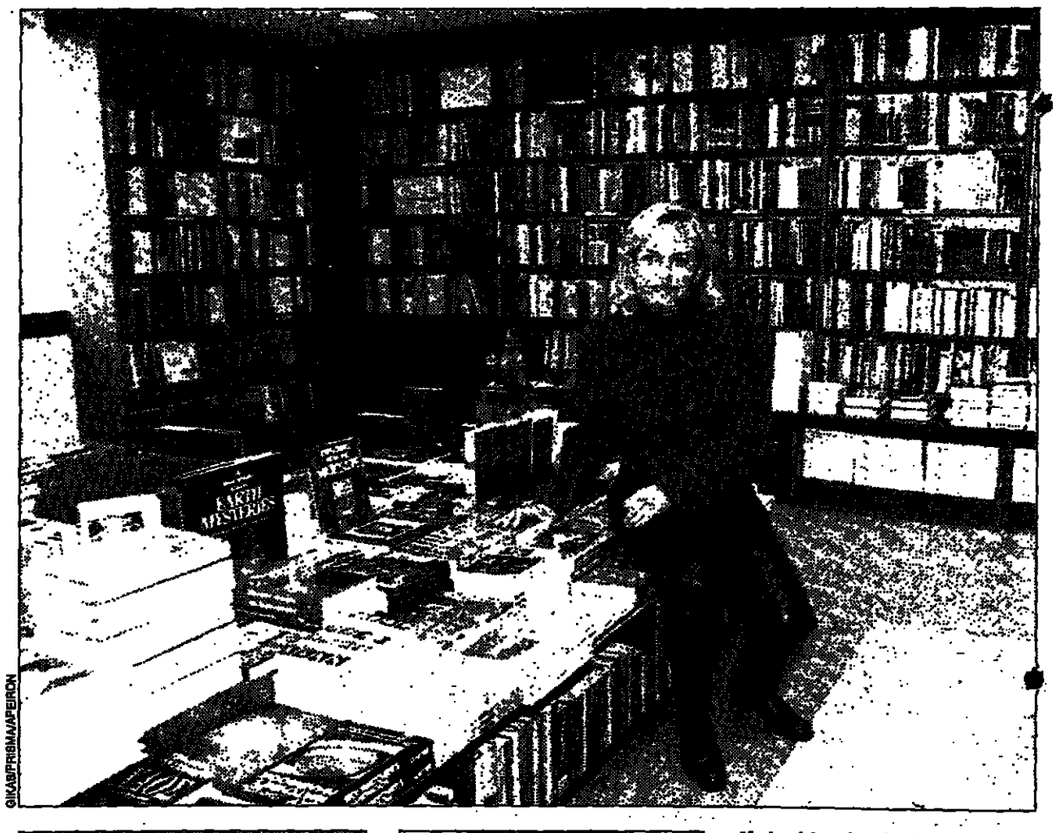
Ekaterini Kyriakopoulou-Iliopoulou, the grande dame of Greek industry, manages the Parnassus Beauxite Mines, the largest Greek mining firm.

Fotini Legaki manages an agricultural pharmaceuticals industry and Ekaterini Xintaveloni a kitchen cabinet factory, while two leading pasta producing companies are also run by women.

All affairs in order

Vassiliki Marigoni runs a family bakery in an Athens suburb.

"We are doing well in business because we are used to keeping our affairs in order," she says. **J.R.**


GIKAS/PRISMA/APEIRON

Marina (above) and Sofia Eleftheroudaki expanded their father's bookstore into a large presence not just in Greece, but also throughout the Balkans; Fotini Legaki (far left) manages an agricultural pharmaceuticals industry; Demetra Lalaounis (left) helps her father run a large chain of jewelry stores.

GREECE: Reaching Out

AIRLINE PREPARES FOR EXPANSION

Olympic Airways hopes to expand its services through alliances with other airlines worldwide.

Olympic Airways, the Greek national carrier, is being reorganized to meet the challenge of local competition and the conditions established in the company's restructuring plan, which was approved by the European Commission and the Greek government.

According to Chief Executive Officer Jordan Karatzas, Olympic's objective is to remain the main carrier in Greece after the full liberalization of air transport in 1999: "Olympic will remain the international carrier of choice based in Greece and serving Greeks all over the world and an ever increasing international clientele."

Staying global

To attain its goal, Olympic will continue to be a global airline, strengthening its presence in five continents, but will also try to develop its domestic and regional networks. One of the first steps in reorganizing its services involves setting up a computerized system to control both its accounting and passenger services system. This "will allow the full exploitation of passenger capacity and will eliminate the problem of overbooking and empty seats," says Mr. Karatzas.

Olympic has asked McKinsey, a multinational consultancy, to develop its new organizational structure. Next steps will include inventory management, monitoring and control, which will decrease unnecessary expenses and waste of materials. Finally, rational relocation of personnel will increase the level of performance.

"These changes will secure internal efficiency, will allow the company to harness the skills and capabilities latent in the labor force and will guarantee long-term profitability," says Mr. Karatzas.

For the first time, Olympic will establish ties with other airlines on a global or regional basis. In Western Europe, Olympic aims to increase its number of flights by striking alliances with other airlines, thus saving resources to use in up-and-coming markets.

A more aggressive policy is planned for Eastern Europe and Russia, where Olympic is seeking new alliances in order to develop connections between Athens and Belgrade, Bucharest, Budapest, Prague, Moscow, Kiev, Odessa and Warsaw, according to Mr. Karatzas. After completing its restructuring program, the airline might strike strategic investment partnerships or participate in setting up affiliates with other national airlines in the area.

'The new airport will allow Olympic to finally take advantage of the strategic location of Athens and establish a real hub for its regional and international services'

Olympic is also interested in investing in a number of affiliates for ancillary services (catering, training, support) in a number of Balkan airports.

"In the Middle East, we will try to find a partner in the Gulf to exploit the small markets that exist there and to turn them into suppliers of the hub of Athens," says Mr. Karatzas.

Five continents

With Bangkok as its main base in Asia, Olympic will try to establish agreements with local airlines in order to expand through them its connections to the Philippines, Hong Kong, Indonesia, Taiwan, Malaysia, Vietnam, China and New Zealand.

Mr. Karatzas also says that after 1988, Olympic will consider establishing its own services in the Far East with its new long-range aircraft, which will be delivered by that time.

The North

As for North America, Olympic will continue its flights to New York and Boston and will increase the number of its flights to Toronto and Montreal. Olympic's ultimate goal in North America is to secure a large segment of the market – up to 65 percent of flights to Greece if possible – most likely through an alliance with an American carrier.

Negotiations are already under way between Olympic and a number of selected U.S. carriers for a commercial agreement.

"North America and Australia, with their strong Greek communities, call for a strong Olympic presence," says Karatzas.

The South

Finally, Olympic will strengthen its ties with South Africa and South America. It has already established an alliance with VASP, a Brazilian airline, for the Athens-Casablanca-Rio de Janeiro route. Mr. Karatzas stresses, however, that Olympic's progress cannot be achieved without upgrading the skills of its personnel, both on the ground and in the air, and the improvement of its installations at Athens Airport.

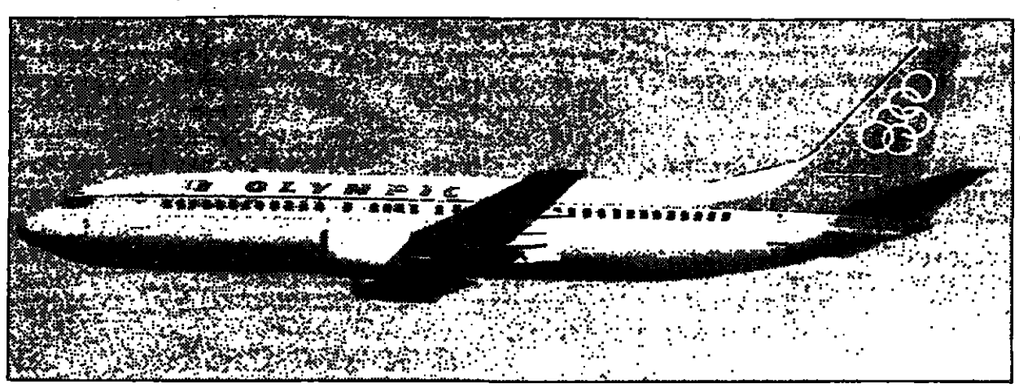
"Training personnel is a never-ending process," he says.

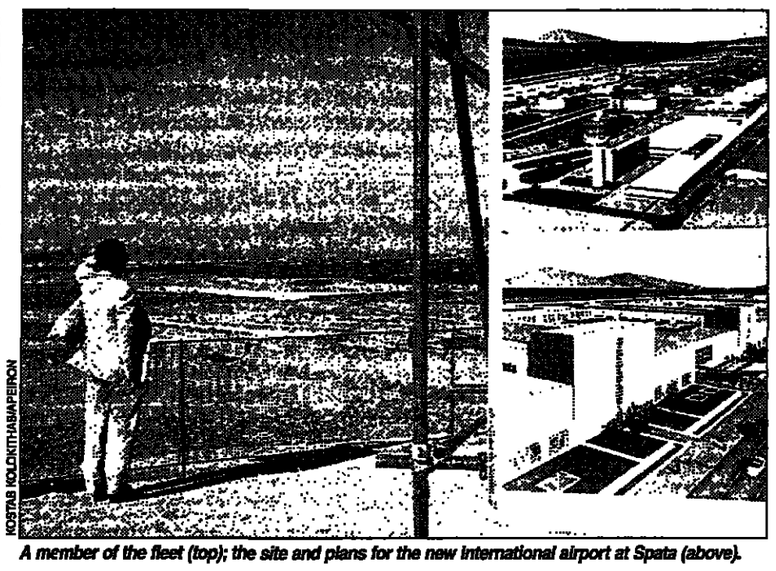
"You cannot overestimate the importance of training, especially of flying personnel, on how to treat passengers. We want to project an even better image in all that concerns the treatment of and the services rendered to our passengers."

Olympic is eagerly awaiting the opening of the new Athens International Airport at Spata. A serious impediment to Olympic's growth and image has been a lack of airport infrastructure.

New airport

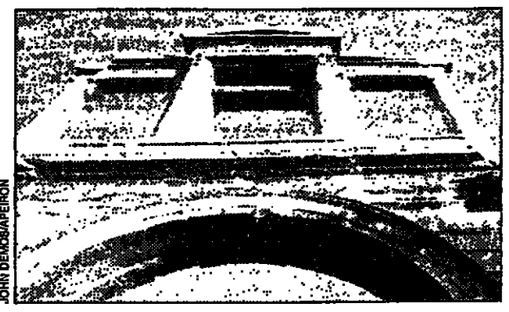
"The new airport will allow Olympic to finally take advantage of the strategic location of Athens and establish a real hub for its regional and international services," says Mr. Karatzas. **J.R.**





KOSTAS KOUDIKIS/AP/EPIRON

A member of the fleet (top); the site and plans for the new international airport at Spata (above).



JOHN DEMOS/AP/EPIRON

CRUISING AND YACHTING FACE COMPETITION

Neighboring countries may be getting the edge. Industry leaders would like to see some changes – fast.

The Greek cruise ship and yachting business may be headed for rough seas in terms of competition from other countries. Lying at the crossroads of three continents, Greece is a multimillion dollar market that is highly attractive to countries that are less fortunate, geographically speaking.

Cruising in the Aegean started in 1953 with the 3,000-ton Semiramis, operated by Epirotiki Lines. By 1966, three more ships had been added to the fleet. Today, a dozen Greek cruise companies operate in Greece. Epirotiki merged with Sun Line in August 1995 to form Royal Olympic Cruises, a move aimed at reducing operating costs in a combined purchasing, marketing, sales and administration operation.

The Greek Shipping Association for Passenger Ships, the Yacht Owners Association, the Yacht Brokers Association and the Hellenic Association of Travel and Tourist Agencies all sent memorandums last month to the National Council for Tourism warning of the dangers ahead both for their industry and the Greek economy. The council was set up earlier this year by Minister of Development Vasso Papandreou, who is also in charge of tourism. A 60-member body, it includes prominent personalities from various sectors of the tourism industry.

According to Andreas Potamianos, president of the Greek Shipping Association for Passenger Ships, the associations are seeking measures that would allow Greek cruise ships to operate on equal terms with those from other countries. European Union legislation will lift cabotage – under which only Greek-flag cruise ships may exploit sea transport among the Greek islands – on January 1, 1999.

This will open the doors to competition from foreign cruise ships. At risk is a large and important industry that helps to reduce the country's gaping balance of payments deficits. About 15,000 Greek seafarers work on Greek cruise ships, and 60,000 more are employed in cruise-related businesses as lawyers, office workers, repair shop employees, spare-part manufacturers, tour and bus operators, souvenir-makers, shop owners, etc.

Growing market

Mr. Potamianos explains that the cruise business, especially from the United States, is growing. At an average cost of $150 per day, including sumptuous meals on board, cruising the blue Aegean is a bargain.

The Greek shipping associations want to protect this market from competitors whose governments are changing their laws with European Union backing. Some countries, for example, provide tax exemptions to sea workers and subsidize their social security payments. Many European countries also provide incentives such as low-interest loans to encourage shipbuilding and repairs in their own yards, as well as for the purchase of new ships.

Greek shipowners would like Greek shipyards to be able to compete with other EU yards in the building of passenger ships in Greece, not only for Greek operators but for foreign ones as well. "What we are seeking is the harmonization of legislation with Greece's European partners in the cruise sector so that we are competing on equal terms," says Mr. Potamianos. He thinks that an invasion by foreign cruise ships manned by a multiplicity of nationalities will corrupt the traditional Greek character of cruises.

The Greek Shipping Association of Passenger Ships would also like to see more advertising of Greek tourism, especially in the United States and Japan. This year, the National Tourism Organization spent $4 million on advertising, while a neighboring country spent four times this amount and increased its tourism by 70 percent.

Also urging the government to heed the gathering clouds are the yacht owners and brokers' associations. There are about 5,500 commercial yachts and 12,500 private yachts in Greece. Pressed by the EU to apply stricter austerity programs to bring Greece more in line with its European partners, the government is scrounging around for new sources of revenue for the 1997 budget. One of these is the imposition of an 18 percent VAT on charters of sailing yachts and 8 percent on those of motor yachts. This law would rescind another passed in 1976, which exempted yacht chartering invoices in a bid to encourage yachting in Greece. At the same time, the Ministry of Finance is reassessing taxation scales on private yachts purchased in recent years. Yachts, along with cars and real estate, are now taken into account as assets in overall taxing of individuals.

Golden eggs

According to Michael Ghiolman, vice president of the Hellenic Association of Travel and Tourist Agencies, the government's moves have put a damper on the yachting business, in both purchasing and hiring, at a time when neighboring countries are posing a serious competitive threat.

An insufficient number of marinas and a law prohibiting the chartering of foreign flag yachts to work in Greek waters had the effect of driving business away. The marina situation is being rectified, with the present 25 expected to double by the end of 1997 as a result of a government decision to allow private investors, hotels and town councils to build them.

The government's plans reportedly include partly privatizing the National Tourism Organization (EOT). It will have four subsidiaries to deal with festivals, health spas, marinas and EOT-owned hotels.

Mr. Ghiolman points out that about 10,000 Greeks work on Greek- and foreign-flag yachts based in Greece and that thousands more are employed in yacht-related companies. Yacht chartering brings in an estimated $250 million a year.

It would be a crime, he says, to kill the goose that lays the golden eggs. **J.R.**

SKIING IN THE HOME OF THE GODS

The season is short but sweet, and the prices are very attractive.

Greece, which is already popular for its enchanting islands, its crystal-clear blue Aegean Sea and the Parthenon atop the Acropolis in Athens, is fast becoming a skiers' paradise as well.

Greek ski resorts don't compare with the more famous and fashionable ones in the Swiss Alps, in Italy's Cortina d'Ampezzo, Bavaria's Zugspitze Mountain or Innsbruck in Austria, but European skiing aficionados are starting to discover that Greece has much to offer – especially when it comes to prices.

Greece is one of the cheapest places to ski; it has 15 resorts in the mountains of northern Greece, central Greece and the Peloponnisos.

The skiing season in Greece usually lasts from January to late March or early April. There are few foreign organized tour holidays to these resorts, which for years were mainly used by Greek skiers, but most of them have all the basic facilities and are a pleasant alternative to the glitzy resorts of Western Europe.

Vassilis Kourtesis, general secretary of the Greek National Tourist Organization (EOT), is confident that more and more foreign tourists will discover the winter wonders of Greece's beautiful snow-covered mountains.

"Our ski centers are starting to attract tourists who normally come to Greece to enjoy the summer pleasures of our country," says Mr. Kourtesis.

Steeped in history

The first ski center in Greece was set up in Seli, in the mountainous northern region of the country, almost 40 years ago, in 1948-49. Today, Seli is a popular ski resort with eight slopes and three ski lifts.

The ski resorts nearest to Athens are on Mt. Parnassos, which is about a two-and-a-half-hour drive northwest from the Greek capital and is considered one of the finest in Greece. In the summer, it is one of the most spectacular mountains in Greece, covered with fir trees and thick vegetation of a rare natural beauty.

Parnassos was beloved by the gods Apollo and Dionysos, and it was also one of the most important spiritual and religious centers of the ancient Greeks. On its slope are the site of the famous Delphic Oracle and the Corycian Cave, sacred to Pan and the Nymphs.

Sprinkled about the mountainsides are picturesque villages surrounded by greenery that still retain their traditional style, both in their buildings and in their way of life. When covered with snow, the mountain becomes even more majestic and enchanting, and ideal for winter sports.

Variety of activities

The Greek National Tourism Organization opened its first ski center on Mt. Parnassos in 1976 at Fterolakas (1,750 meters, or 5741 feet), which is the largest in Greece. It has facilities higher up at Kellaris (1,950 meters). EOT has a second center at Gerondovrahos.

Mt. Parnassos' modern installations, high level of technology and facilities create a comfortable, pleasant and relaxed atmosphere that appeals not only to skiers, but also to snow-lovers, hikers and mountaineers.

There are 20 ski slopes at Mt. Parnassos, with a total length of 14,000 meters, permitting beginners, intermediate and advanced skiers to pursue this popular sport under all kinds of conditions. It has 15 ski lifts, and the slopes are up to 2,260 meters high.

A cable car carries visitors up to the restaurants and skiing area, where chair lifts and tows take skiers up to the ski runs on the higher peaks. There is no public transportation to either ski center, so visitors must take a taxi or get a ride from Delphi or Arahova.

The ski department at Klaoudatos, the big department store in downtown Athens, organizes excursions to Mt. Parnassos. During the winter, excursion buses leave for Parnassos from the stadium in Athens every morning at 5:40. The rental of ski equipment and the use of the chair lifts cost 2,500 drachmas ($10) each per day.

Northern bound

Northern Greece boasts several popular ski resorts. Metsovo's Ski Center is on the right side of the main Kalambaka-Ioannina highway, just before the turn-off for the town. It has an 82-seat ski lift, two downhill runs and a 5-kilometer cross-country run. Ski rentals are available in Metsovo.

Two kilometers from Hania, on the main Volos-Zagora route, is the ski resort at Agriolefkes, where a ski center has three downhill runs and one cross-country run.

Two popular ski resorts can be found in the Peloponnisos. One of the ski centers is 14 kilometers (8.7 miles) east of Kalavryta on Mt. Helmos. It has an elevation of 1,650-2,100 meters, with nine slopes and one chair lift. It has a cafeteria and first-aid center, but no overnight accommodations. The other is the ski center at Menelou, which has five slopes and three ski lifts. It is located near the popular resort village high up in the mountains of the central Peloponnisos.

For more information, see the EOT publications "Greece: Mountain Refuges & Ski Centers." Information may also be obtained from the Hellenic Skiing Federation, P.O. Box 8037, Omonia, Athens 10010 (Tel.: 30-1-524-0057; Fax: 30-1-524-8821).

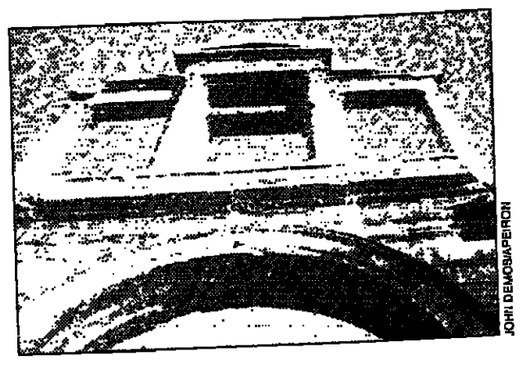
J.R.

STAMATOUPRIS/AP/EPIRON

Mt. Parnassos appeals to skiers, hikers and mountaineers alike. The resort offers 20 slopes for skiers, beginners to pros.

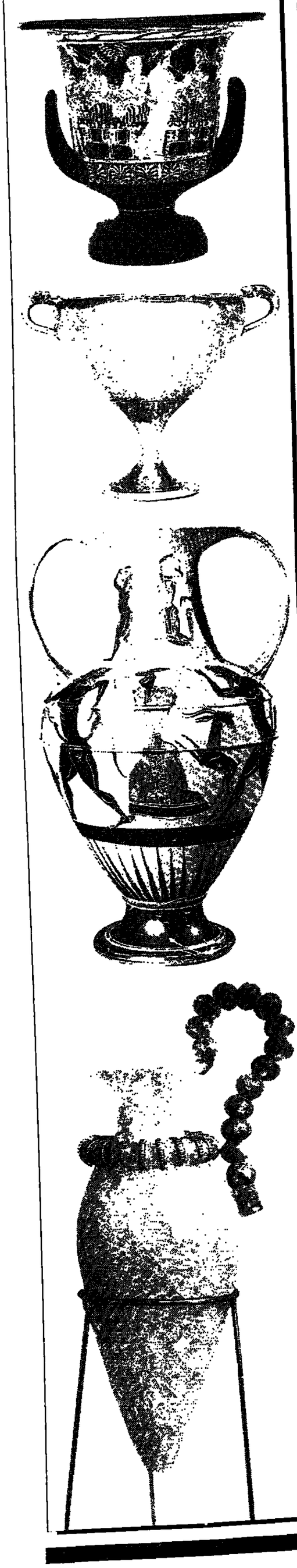
STAMATOUPRIS/AP/EPIRON

GREECE: Reaching Out



JOHN DEMOSIA/PEIRCH

Some vessels, spanning twelve centuries, for enjoying wine. Is it any wonder that Bacchus chose Greece?



COURTESY OF THE EMBASSY OF GREECE/PARIS

Discovering the Northern Wines

Vineyard excursions are combined with archaeological and other sites.

Wine is poised to capture the attention of the 10 million tourists who visit Greece annually. The new buzzword in both the wine industry and the tourism industry is *oenotourismos*, or wine tourism. It refers to the wine routes recently established in various parts of the country.

It is in the north that most of the wine-related activities are taking place. Thessaloniki, as Europe's 1997 Cultural Capital, is hosting several wine and food competitions and festivals.

On the Wine Road

As in other European cities such as Barcelona and Turin, one of the leading forces in Thessaloniki's local business is the dynamic wine industry. A newly established organization, Wine Roads of Macedonia, offers a fascinating agenda in the hope of enticing wine afficionados to its cellar doors. With a mapped brochure in hand, the wine-loving tourist can explore over 800 kilometers (500 miles) of the region's largely undiscovered wine routes.

The organization has mapped four principal routes: the Wine Road of the Olympian Gods, the Wine Route of the Macedonian Kings, the Wine Road of Chalkidiki and the Wine Road of Dionyssos. Each is linked to historic sites, so that visitors can simultaneously enjoy wineries and vineyards, archeological sites and beautiful natural sites.

Leading figure

The organization is still young, and its infrastructure is not as advanced as it might be in Tuscany or France, for example. Nevertheless, the wine-loving tourist can visit more than a dozen properties.

One of them, the lovely Ktima (Estate) Gerovassiliou, is located not far from the Thessaloniki airport, in the rolling farmland of Epanomi. Bordeaux-educated Evangelos Gerovassiliou is a leading figure among the new generation of Greek winemakers. His vineyards are well-tended and immaculate, and his winery state of the art.

Mr. Gerovassiliou is in the vanguard of a new development in Greek vineyards – he grows both traditional Greek grapes as well as other European varietals. His off-beat red wine, for example, is an equal combination of Syrah and Grenache. It is rich, spicy and generously wooded without being over-oaked. The reds are aged in the estate's cellars. His white wine, made from the noble Greek variety Assyrtico, is vibrant and fresh.

Local cuisine with wine

About one-and-a-half hours due east, near the hamlet of Aghios Pavlos, lies the sprawling winery and distillery of Tsantallis, one of Greece's largest producers. Guided tours and tastings are available by appointment.

Due west, an hour's drive from Thessaloniki in the verdant foothills of Mt. Vermion, lies Naoussa, dubbed by Greek wine experts as the "Burgundy" of Greece. Naoussa's native cultivar is the noble Xynomavro grape, which, with cask and additional bottle aging, produces velvety red wines. The region's leading estate is the Boutari Yiannakohori Vineyard, whose wines may be sampled with local cuisine at the winery and restaurant in Stenimacho, Naoussa.

Other tipples

Wine is not all that's worth imbibing in Greece's rich north. One of the most interesting excursions is to the winery and distillery of charismatic Anestis Babatzimopoulos, just outside Thessaloniki in Anchialos, where visitors can try his excellent *tsipouro*, or grappa. These clear spirits in beautiful elongated bottles are distilled from several single grape varietals – the local Xynomavro; Cabernet Sauvignon; Muscat; and Roditis, another versatile, indigenous Greek grape.

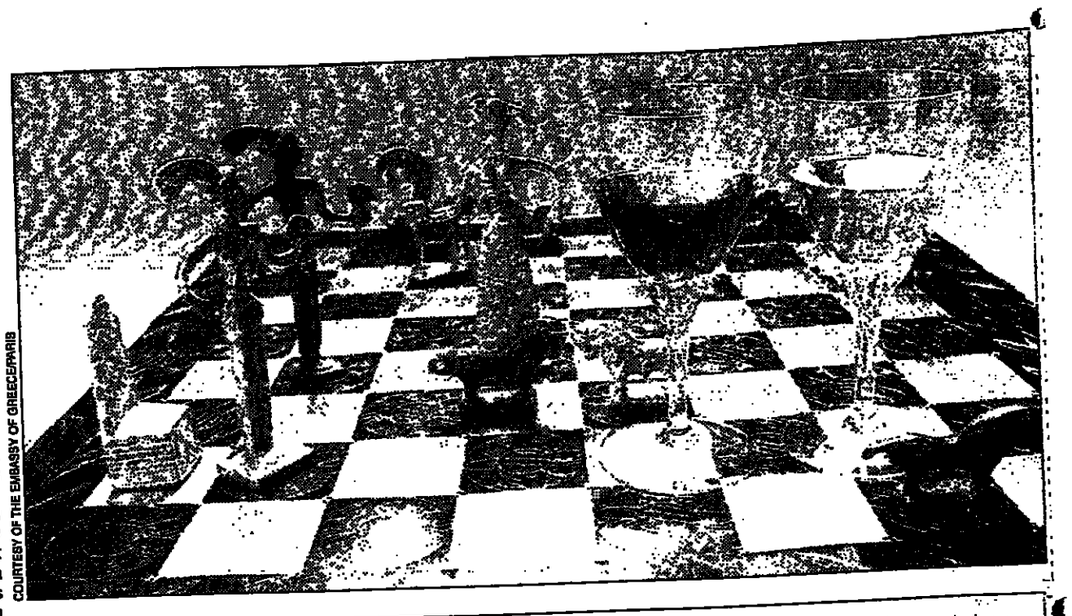
In fact, several vintners in the north have taken to producing other traditional tipples, most notably anise-flavored tsipouro. The most refined of these, called Hedoniko, comes from Ktima Kosta Lazaridi, in Drama, about 170 kilometers east of Thessaloniki, on the far edge of the northern Greek wine route.

Beckoning treasures

The north of Greece is blessed with a wealth of treasures that deserve to be discovered and savored.

For more information on the wine routes, contact P. Georgiades at the Organization for the Cultural Capital of Europe Thessaloniki 1997 (tel.: 30 31 867 869, fax: 30 31 867 870). There is also a Web site: http://www.culture97.gr

Nico Manessis



COURTESY OF THE EMBASSY OF GREECE/PARIS

A celebration of food and wine: culinary pleasures have become a form of art.

COURTESY OF THE EMBASSY OF GREECE/PARIS

Newer Restaurants Are Culinary Altars of Culture

Once secondary in importance to good conversation, good food has become an end in itself. Traditional and ethnic are the two trends in dining.

It used to be that the nightly dining scene in Greece was dominated by the neighborhood tavernas – small, inexpensive eateries where the food was homespun and the wine often homegrown. There was never a real restaurant culture akin to, say, that of France. With the exception of those working in hotel kitchens, chefs were seldom professionally trained. Although the table has long been the center of social activity in Greece, until recently the food was almost secondary to the dining experience. The meal was meant to accompany good conversation.

But in the last few years, the dining landscape has undergone a dramatic change. It would not be an overstatement to say that eating in Greece is getting better all the time.

There is a newfound regard for cooking as an art. For example, in the last year alone, two new food magazines were started here, replete not only with recipes and wine tips, but also with article after article on Greek and foreign chefs, food producers and destinations that hold some culinary interest. Five years ago, there was no such thing as a food page in the local daily papers. Today, almost every major newspaper has a food column, and many have restaurant and wine columns.

Private and public dining

Exclusive wine and gastronomy clubs have sprouted up all over the country, and there has been a considerable effort to revitalize Greek cuisine at every level. One organization stages historical dinners, with menus culled from ancient and Byzantine recipes. Several restaurants in Athens that have opened in the last year do the same. With all the media mania over the Mediterranean, and specifically the Cretan, diet, there has also been renewed interest in traditional country fare, the dishes that marked Greek cookery 20, 30 and 40 years ago.

The newfound reverence for tradition is also mirrored in the spate of regional cookbooks that has hit the shelves (in Greek) in the last few years, some on cuisines as localized as that of the island of Tinos; others more in-depth looks at the complex cuisines of places like Crete and the Ionian.

Restaurants in Greece have become altars of culture, destinations in their own right, and for the first time chefs are being lauded as stars. In Athens last year, Vitrina – one of the first restaurants to open in the old industrial heart of the city, an area of warehouse spaces and rundown buildings – became an overnight success, so much so that its young chef, Chrisanthos Karamolengos, at once exhausted and elated, was moved to say that "every day is Saturday."

Today, the old industrial city center teems with fashionable new restaurants and bars. Probably the most popular and highly regarded restaurant in all of Athens is a seafood place called Varoulko, booked solid every night of the week despite its location in a kind of no-man's land in Piraeus.

International cuisine

Greeks are not enamored of Greek food alone, though. It is hard to keep up with the number of new Mexican, Italian and Chinese restaurants opening all the time, at least in Athens. Even Chinese takeout is big nowadays.

The love affair with foreign food is mirrored in other places, too. For example, it isn't unusual to find desserts like chocolate soufflé on restaurant menus of every ethnic ilk, but especially Greek ones "Rizotto" is another dish that is appearing more and more on restaurant menus in various interpretations of the original.

Asian food is becoming popular enough in Athens to justify the opening in the last few years of supermarkets selling nothing but Asian products, and all the major supermarket chains have shelf space allocated to the basics like noodles and soy sauces.

In short, the food scene in Greece is expanding by leaps and bounds. On the one hand, there is a renewed awareness and appreciation of tradition; on the other, an openness that did not exist in Greece as recently as five or six years ago.

Diane Kochilas

In a Word

Tourism As a Policy for Peace

BY COURTESY OF THE EMBASSY OF GREECE/PARIS

The securing of peace – of peaceful survival and coexistence among all peoples – has been a basic social demand in all epochs on every part of our planet.

Defense or offense?

History has taught us that securing peace can be achieved through entirely opposite means. One way is to use a policy of defense to work as a deterrent to the idea of war. The idea of defense and of deterrence is a necessary evil. It is not entirely opposed to the logic of confrontation and does not always manage to avoid it.

In contrast to a defensive policy is one of communication and of cooperation among peoples, of communication among civilizations, of composition of cultural values and the justification of the recognition of idiosyncrasies through the friendship stemming from knowledge and understanding.

This offensive policy of peace is promoted in our day through the development of tourism.

Together with relaxation and recreation, tourism allows people to share the life of fellow humans and, in this way, to understand better the values of their own life.

Tourism gives people the possibility of getting a closer look at and learning about the history, the arts, the culture and the customs of other peoples. Through that familiarity, people develop friendship and cooperation that can contribute to world peace.

Regional unity

Tourism in the European Union is promoted considerably by the establishment of a domestic market, through the policy of protection of the environment, by transportation networks and certainly by the policy of regional strengthening of the social cohesion of the Union.

The European Union can also offer, and is already offering, substantial assistance to tourism.

The EU creates networks for the movement of information and the exchange of experiences, carries out market research and promotes cooperation among member states. It also undertakes a series of special activities.

A member of the European Union, Greece is located at a crossroads of peoples and civilizations in the sensitive area of the Balkans. This country unites Europe with Asia and plays a decisive role in that area. Its rich history, civilization and natural beauty give Greece a leading role and make it a magnet for millions of tourists.

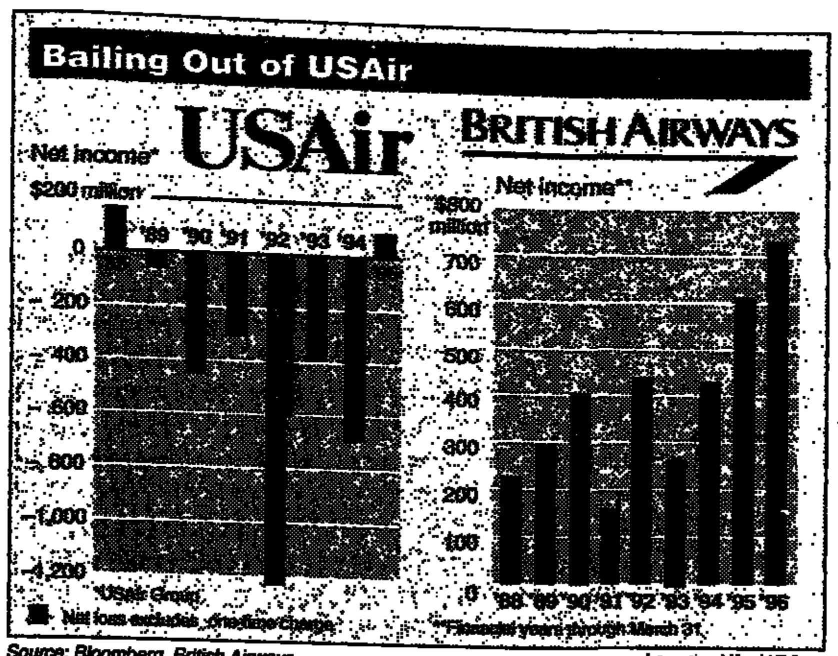
This role for Greece is exactly what the present Greek government is trying to strengthen by placing an emphasis on the upgrading of the domestic tourist product in accordance with the "triptych" of tourism (civilization) development, but without ever forgetting that the greatest need of humanity is peace.

Vasso Papandreou, minister of development

International Herald Tribune

BUSINESS/FINANCE

THURSDAY, DECEMBER 19, 1996



Source: Bloomberg, British Airways

International Herald Tribune

BA, 'With Regret,' to Sell Its Stake in USAir

By Erik Ipsen
International Herald Tribune

LONDON — British Airways PLC said Wednesday it would sell its 24.6 percent stake in USAir, ending a three-year partnership that went sour when BA turned to American Airlines Inc. in June for a bigger U.S. alliance.

Bob Ayling, chief executive of British Airways, said Wednesday he had decided "with regret" to sell BA's shares and effectively to end the relationship with USAir.

"It would clearly be unwise to pursue an alliance with an unwilling partner," he said.

USAir welcomed the news but said it intended to press ahead with its legal action against BA. USAir sued its British partner in July in U.S. federal court for breach of contract.

USAir has 60 days to decide whether it will buy back BA's shares or allow them to be sold on the open market.

British Airways declined to reveal the price it had offered to USAir. British Airways holds a type of preferred stock that is not traded on any exchange.

USAir's common shares closed at $22.625 on the New York Stock Exchange, up 12.5 cents on the day and roughly double their lowest price of the year. At that price, BA's stake would be worth about $425 million. British Airways shares closed at 599 pence ($10.01), up 5, on the London Stock Exchange.

Analysts said BA's decision to sever its ties with USAir was inevitable after USAir filed its suit.

"The reason why BA decided to get out of it was because they had no alternative," said Andy Chambers, an analyst at S.G. Strauss Turnbull.

With USAir planning to end its cooperation with BA, there was no longer any point in holding onto the shares and the three seats of USAir's board it originally bought for $400 million.

The move represents a calculated financial risk for BA, which had estimated that its marketing and scheduling alliance with USAir would bolster profit by $100 million a year.

Analysts have calculated that BA's alliance with American will bring $200 million a year in new profit. But because it may take until April to secure regulatory approval for the BA-American link, coordinated flight schedules between the partners could not come into effect until the autumn.

That means that BA could find itself without an American partner during the peak summer travel months.

Analysts also said they were worried by the magnitude of the concessions that BA was making, moves that effectively raised the price of the British carrier's proposed link with American.

BA and American insisted in June that their move to form the world's largest airline alliance would be good for USAir because it would reduce competition on the lucrative trans-Atlantic routes and would require neither carrier to surrender precious landing slots at London's Heathrow Airport.

The decision to sever ties with USAir followed by 12 days the tentative decision by British competition authorities to require British Air and American to give up 5 percent of their combined Heathrow landing slots as the price of approval of their alliance.

Some rivals called those concessions inadequate to ensure competition in a trans-Atlantic market that would still be heavily dominated by the BA-American alliance, but an analyst said they were "at the outer limits of what is acceptable."

Texaco Offers Its Plan To Diversify Work Force

The Associated Press

WHITE PLAINS, New York — Weeks after agreeing to settle a race discrimination case for $176 million, Texaco Inc. issued a broad plan Wednesday to diversify its work force and do more business with companies owned by minorities and women.

The plan "will ensure a fair and open environment in which all employees and business partners can contribute to the full measure of their abilities," said Texaco's chairman, Peter Bijur.

The oil company's announcement did not mention the settlement, which followed the release of tape recordings in which company officials belittled blacks and plotted to destroy documents related to the lawsuit.

Mr. Bijur said the program came after the review "undertaken as a result of events over the past six weeks."

Under the plan, Texaco said it would increase the percentage of minorities on its payroll to 29 percent, from 23 percent, and the percentage of blacks to 13 percent, from 9 percent, by 2000. It would also raise by more than 25 percent the number of managers who are black or female, try to improve managers' hiring skills and use higher pay to reward people who do better in "creating openness and inclusion" in the workplace.

In addition, Texaco will put into effect new "behavior standards" for managers and include women and minorities on every human resource committee in the company.

Texaco plans to spend an average of $200 million a year over the next five years on contracts with outside companies owned by minorities and women, up from $135 million this year. In addition, the company said it would increase to $200 million, from $32 million, the amount it spent in banks and investment firms owned by women or members of minority groups.

At the dealership level, Texaco said, it would double the number of minority- and women-owned wholesale outlets and triple the number of black-owned independent retail outlets.

Several aspects of the plan were conditions of the settlement, including the rewarding of managers who helped diversify the company, said Cyrus Mehri, an attorney for the plaintiffs in the discrimination suit.

EU Opens Antitrust Inquiry Into Boeing Deal

By Tom Buerkle
International Herald Tribune

BRUSSELS — Europe's chief antitrust official began an investigation Wednesday into Boeing Co.'s planned takeover of McDonnell Douglas Corp., saying he feared the deal would strengthen Boeing's dominance of the worldwide market for civilian jetliners.

The announcement reflected widespread concern in Europe that the proposed $13.3 billion deal posed a tough new competitive threat to Airbus Industrie, the European consortium that ranks behind Boeing as the world's second-largest maker of civil aircraft.

"We have to examine whether this is going to lead to a strengthened dominance in certain products or certain markets," said Karel van Miert, the European Union's competition commissioner.

The possibility that Mr. van Miert would attempt to block or alter the proposed combination seemed remote, U.S. and EU officials said. Any such action would trigger a huge trans-Atlantic trade dispute. Still, the antitrust move Wednesday appeared to signal European willingness to challenge Boeing's position, most likely in negotiations over aircraft subsidies.

The most recent U.S.-EU talks on aircraft subsidies, in October, were marked by acrimony. The Europeans accused Washington of violating a 1992 agreement by channeling large amounts of indirect subsidies to Boeing and McDonnell Douglas, through the Pentagon, budget for military research and development.

European aerospace companies fear the merger will increase the level of indirect subsidies going to Boeing because McDonnell is the largest U.S. defense contractor.

The antitrust move also could help the four partners in Airbus — Daimler-Benz Aerospace AG of Germany, Aerospatiale of France, British Aerospace PLC and Construcciones Aeronauticas SA of Spain — in their campaign for government subsidies to finance the estimated $8 billion development of a new superjumbo jet to rival Boeing's 747, industry executives said.

"They may have to revisit the aircraft agreement," said a U.S. official, referring to the 1992 accord. "It's going to raise the whole subsidization issue," said the official, speaking on condition of anonymity.

A Boeing executive played down the antitrust move, saying the proposed merger was part of a broader, government-endorsed restructuring of U.S. industry that had aroused no complaints in Europe. He also said there was little overlap between Boeing and McDonnell products except in single-aisle aircraft, where Airbus offers competing products.

The investigation also surprised Europe's aerospace and airline companies, none of which had protested the Boeing-McDonnell deal. Most European companies have regarded the aircraft industry as a Boeing-Airbus duopoly for some time and have focused their attention on Europe's need to consolidate.

"The market has already decided," said Barbara Kracht, a spokeswoman for Airbus in Toulouse, France. "The competition in the last years and months was practically always between Boeing and Airbus." Airbus says that it has taken about 35 percent of the world market for aircraft with more than 100 seats in recent years, compared with more than 50 percent for Boeing and less than 10 percent for McDonnell Douglas.

Samsung Electronics Shuffles Talent

Bloomberg Business News

SEOUL — The executive who helped build Samsung Electronics Co. into the world's biggest computer-chip maker resigned Wednesday in a sweeping management reshuffle.

Kim Gwang Ho will step down in a reorganization involving 32 executives. In doing so, Mr. Kim, 56, may be taking the blame for a 58 percent plunge in Samsung Electronics' stock price this year. The shares closed at 46,000 won ($54.55) Wednesday, up 800.

Mr. Kim was replaced as Samsung Electronics' chief executive by Yoon Jong Yong, 52, who runs the company's operations in Japan.

Mr. Kim's resignation signals that Samsung Electronics will shift its emphasis to marketing from developing technology as competition in the global chip market intensifies, analysts said. Chip prices fell as much as 80 percent this year, and first-half profit at the company fell 60 percent.

Some analysts said Mr. Kim may be taking the fall for overestimating global chip demand and for investing in the unprofitable U.S. computer company AST Research Inc.

Semiconductors account for roughly half of Samsung Electronics' total revenue. The remaining half is split between industrial electronics, such as telecommunications equipment, and electronic appliances.

The shake-up shows that Samsung Electronics is "admitting the seriousness of its problem," said Paek Seung Sam, a fund manager with Korea Investment Trust Co., which holds Samsung shares.

Mr. Kim, who has been with Samsung 32 years, will move to New Jersey and become chairman of Samsung America. His duties will include supervision of AST Research.

A Samsung spokesman said the changes would result in "a creative sense of tension in the organization."

The reshuffle affects 32 of Samsung's 48 top-level executives. The company said it aimed to establish a "global management system" for the next century by placing senior executives in overseas posts and to accelerate "changes and reforms" by promoting talented young managers.

INTERNATIONAL MANAGER

For Big California Fund, Asia Beckons

By Philip Segal
Special to the Herald Tribune

HONG KONG — The largest pension fund in the United States, working with the Asian Development Bank, will bring its boardroom activism and social-investment agenda to Asia by setting up a $500 million private investment fund, officials of both organizations said Wednesday.

The U.S. fund, the California Public Employees' Retirement System, has $100 billion under management, an amount that is likely to double by 2000.

The fund, often called Calpers, is well-known in the United States and Europe for using its financial might to pressure directors into making companies more responsive to shareholders, raising the value of company shares and investing in what it considers socially responsible companies.

"This fund could set standards for good corporate governance, and by its track record could set an example for pension funds, that investing in socially and environmentally sensitive companies can be fiducially profitable," said Linda Tsao Yang, the U.S. delegate to the Asian Development Bank and a former member of the California fund's board.

But although the California fund's involvement has shaken up boardrooms in the United States and Europe, it may tread more softly in Asia, at least at first. Executives of the fund said in Sacramento, California, on Wednesday that they would not seek seats on boards of Asian companies in which they invested, for example.

For the Asian Development Bank, the California fund is a major catch. Like other multilateral lenders, the bank is dealing with U.S. reluctance to increase official funding, which makes the pension fund's plan to set up a partnership an appealing alternative.

The bank would act as a catalyst in attracting private money to Asia, offering regional experience and good access to Asia's leaders, while the pension fund would bring its large supply of cash for investment.

"One important feature of this fund is that the ADB's name is on the plate," Ms. Yang said. "Certainly it would be in position to initiate mediation if there are disputes down the road."

The decision by Calpers to invest an initial $225 million in private equity in Asia fits a growing trend toward private venture-capital investment in the region. Last year for the first time, private venture capital invested in Asia, which reached $6.7 billion, was greater than the amount invested in the United States or Europe.

"Governments are increasingly constrained by the need to control fiscal deficits and meet other priority demands, especially in the social sectors, and have allocated inadequate resources to areas such as infrastructure," said Mitsuo Sato, the Asian Development Bank's president.

That is where private pension money steps in. With world pension fund assets at $7 trillion and set to rise to $25 trillion by 2010, private equity investments seem certain to grow. In keeping with the social agenda observed by both the development bank and the California fund, there is a "negative list" of industries that the fund will not touch: alcohol, armaments, tobacco and "luxury sectors such as golf courses and real estate on a stand-alone basis."

The fund, which will be managed by Lombard Investments of San Francisco, will subscribe to the bank's "core principles" relating to "involuntary resettlement, women in development, indigenous peoples and participatory development in its investments" and will "establish procedures to monitor compliance with these principles where applicable," according to an ADB document.

The California fund is so big that some of the ordinary pitfalls of private equity investment, such as having to put up millions instead of thousands of dollars, are less daunting. The worst risk with private equity is that it tends to be highly illiquid.

But Calpers moves so much money compared with the average volume on several of Asia's stock markets that buying a significant amount of a stock at a good price is often impossible, and selling off the stock would send its price sharply down.

The fund, moreover, can take advantage of the superior returns offered by venture capital. Private equity deals often sell for three to four times a company's earnings per share, and investors can reap handsome profits if they can sell shares in a public offering at a reasonable nine to 10 times earnings or more.

CURRENCY & INTEREST RATES

Cross Rates

Dec. 18

	$	£	D.M.	F.F.	Lira	D.Fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.743	2.9173	1.1223	0.3321	0.1141*	--	5.445*	1.3998	1.5347*	1.2755	1.333*
Brussels	32.03	53.925	20.625	6.1085	2.0985*	18.360	—	24.1025	0.2816	23.33	24.495*
Frankfurt	1.5453	2.5808	—	0.296	0.1015*	0.891	4.8522*	1.1693	1.3664*	1.1374	1.1876*
London (a)	1.675	—	2.5998	8.7867	3,557.50	2.9169	53.5786	2.2273	190.1048	2.2859	218.889
Madrid	130.70	218.635	84.387	24.923	8.548*	75.811	4.0847	98.448	115.082*	95.716	—
Milan	1,528.08	2,563.10	986.10	291.48	—	877.65	47.82	1,153.80	11.461	1,119.80	11.718
New York (b)	—	1.6745	1.5515	5.243	1,527.00	5.243	31.99	1.329	113.675	1.3667	130.67
Paris	5.3440	8.7725	3.3779	—	0.343*	3.0097	0.1639	3.9584	4.6143*	3.9404	4.0125*
Tokyo	113.45	189.40	73.22	21.70	0.744	65.25	3.5531	85.63	—	83.19	0.8780
Toronto	1.3672	2.2887	0.8808	0.2605	0.0893*	0.7846	0.4273*	1.0075	1.2024*	—	1.4963*
Zurich	1.3325	2.2283	0.8568	0.2537	0.0871*	0.7637	19.46*	—	1.1715*	0.9752	1.8179*
1 ECU	1.2506	0.7436	1.9416	6.5982	1,912.18	2.179	40.0159	1.6683	142.13	1.7077	161.45
1 SDR	1.4098	0.8646	2.2274	7.5389	2,198.55	2.5809	45.8902	1.9832	143.781	1.9465	187.739

Closings in Amsterdam, London, Milan, New York, Paris and Zurich, fixings in other centers; Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9998	Greek drac.	246.01	Mex. peso	7.85	S. Afr. rand	4.676
Australian $	1.2626	Hong Kong $	7.7357	N. Zealand $	1.4184	S. Kor. won	843.30
Austrian sch.	10.928	Hung. forint	163.27	Norw. krone	6.4729	Swed. krona	6.8419
Brazil real	1.0401	Indian rupee	35.83	Phil. peso	26.28	Taiwan $	27.50
Chinese yuan	8.3283	Indo. rupiah	2353.75	Polish zloty	2.85	Thai baht	25.59
Czech koruna	27.27	Irish £	0.6006	Port. escudo	156.73	Turkish lira	104924.
Danish krone	5.942	Israeli shek.	3.2786	Russ ruble	5531.00	UAE dirham	3.6705
Egypt. pound	3.392	Kuw dinar	0.2999	Saudi riyal	3.7504	Venez. boliv.	474.00
Fin. markka	4.6315	Malay. ring.	2.526	Sing. $	1.3987		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6714	1.6701	1.6689	Japanese yen	113.01	112.53	112.07
Canadian dollar	1.3606	1.3579	1.3556	Swiss franc	1.3248	1.3211	1.3175
Deutsche mark	1.5502	1.5477	1.5450				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

Libid-Libor Rates

Dec. 18

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 7/16 - 5 9/16	3 1/8 - 3 1/4	2 1/16 - 2 3/16	6 - 6 1/8	3 1/4 - 3 3/8	3/16 - 1/2	4 1/16 - 4 3/16
3-month	5 1/2 - 5 5/8	3 1/16 - 3 3/16	1 3/4 - 2	6 3/16 - 6 5/16	3 1/4 - 3 3/8	3/16 - 1/2	4 1/16 - 4 3/16
6-month	5 7/16 - 5 9/16	3 1/8 - 3 1/4	1 3/4 - 2	6 1/4 - 6 3/8	3 1/4 - 3 3/8	5/16 - 7/16	4 1/16 - 4 3/16
1-year	5 13/16 - 5 15/16	3 1/8 - 3 1/4	1 15/16 - 2 1/16	7 - 7 1/8	3 1/4 - 3 3/8	1/2 - 5/8	4 1/16 - 4 3/16

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/4	8 1/4
Federal funds	5 3/8	5 1/4
90-day CDs dealers	5.38	5.46
180-day CP dealers	5.25	5.25
3 month Treasury bill	4.89	4.89
1-year Treasury bill	5.26	5.23
2-year Treasury bill	5.89	5.84
5-year Treasury note	6.21	6.17
7-year Treasury note	6.34	6.27
10-year Treasury note	6.46	6.42
30-year Treasury bond	6.70	6.66
Merrill Lynch 30-day RA	4.93	4.93
Japan		
Discount rate	0.50	0.50
Call money	0.42	0.42
1-month interbank	0.53	0.53
3-month interbank	0.53	0.53
6-month interbank	0.56	0.56
10-year Gov't bond	1.57	N.Q.
Germany		
Lombard rate	4.50	4.50
Call money	3.05	3.10
1-month interbank	3.30	3.30
3-month interbank	3.25	3.25
6-month interbank	3.24	3.24
10-year Bund	5.88	5.90

Britain		
Bank base rate	6.00	6.00
Call money	5 3/4	5 15/16
1-month interbank	6 1/8	6 1/8
3-month interbank	6 1/4	6 3/16
6-month interbank	6 5/16	6 1/2
10-year Gilt	7.66	7.64
France		
Intervention rate	3.15	3.20
Call money	3 3/16	3 3/16
1-month interbank	3 5/16	3 5/16
3-month interbank	3 5/16	3 5/16
6-month interbank	3 3/8	3 7/16
10-year OAT	5.72	5.81

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	N.A.	368.70	+0.35
London	369.70	368.70	+0.50
New York	370.40	371.30	+0.80

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Feb.)
Source: Reuters.

VON ERNST GLOBAL PORTFOLIO

SICAV
11, rue Aldringen, L-1118 Luxembourg
R.C. Luxembourg B 30.176

NOTICE TO THE SHAREHOLDERS

The Board of Directors of the Sicav has resolved on 16 December, 1996 the declaration of interim dividends for the following sub-funds:

GLOBAL BOND	USD 0,40 per dividend share
EUROPEAN FIXED INTEREST	DEM 0,38 per dividend share
STERLING FIXED INTEREST	GBP 0,50 per dividend share
DM BOND	DEM 0,40 per dividend share
DM SHORT TERM	DEM 0,14 per dividend share

The dividends will be paid on 30 December, 1996 to shareholders on record on 20 December, 1996 (NAV per 19 December, 1996) against remittance of coupon N° 11 for Global Bond, European Fixed Interest and Sterling Fixed Interest and coupon N° 4 for DM Bond and DM Short Term. The shares will be quoted ex-dividend as from 23 December, 1996 (NAV PER 20 December, 1996).

Paying Agent: Kredietbank S.A. Luxembourgeoise
43, boulevard Royal, L-2955 Luxembourg

By order of the Board of Directors

LEGAL NOTICE

IN THE SUPREME COURT OF GIBRALTAR
1991: Comp No 57
IN THE MATTER OF BANK OF CREDIT AND COMMERCE GIBRALTAR LIMITED and
IN THE MATTER OF THE BANKING ORDINANCE and
IN THE MATTER OF THE COMPANIES ORDINANCE

NOTICE TO CREDITORS OF INTENTION TO DECLARE A FIRST DIVIDEND

TO: All persons and entities who appear from the records of the company to have a contractual relationship with the company AND have NOT filed a proof of debt in the liquidation of the Company.

TAKE notice that a first interim dividend is intended to be declared in this matter.

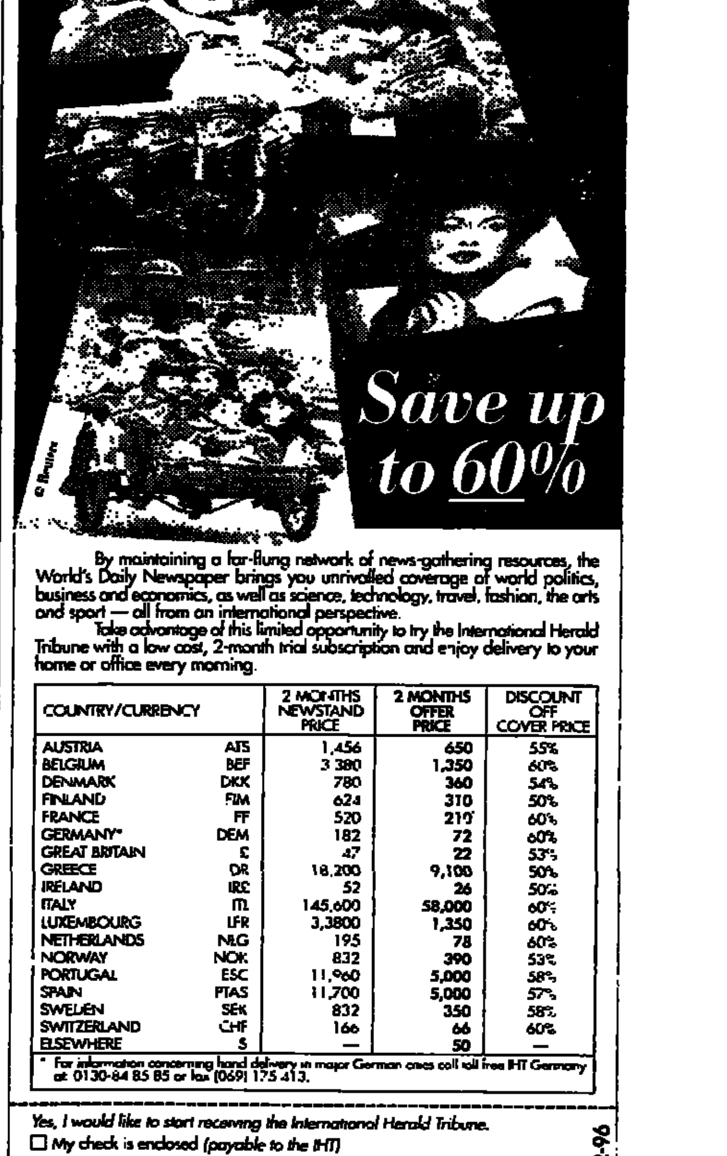
The Joint Liquidators have written to all such persons as appear to be entitled to make a contractual claim against the company inviting them to do so no later than the claims filing deadline of 16 January 1997. The Joint Liquidators thereafter shall proceed to declare and distribute the dividend only to those persons who have lodged proofs of debt within the filing deadline and which have been accepted and admitted in the liquidation.

All Correspondence or Notices regarding this matter should be sent to:

The Joint Liquidators
Bank of Credit and Commerce Gibraltar Limited
PO Box 168, Suite 3C, Regal House
Queensway, Gibraltar

Dated this 19th day of December 1996.
Francis A Isola   Emilio J Gomez
Joint Liquidators

A two-month trial subscription.



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DENMARK	DKK	780	360	54%
FINLAND	FIM	624	310	50%
FRANCE	FF	520	210	60%
GERMANY*	DEM	182	72	60%
GREAT BRITAIN	£	47	22	53%
GREECE	DR	18,200	9,100	50%
IRELAND	IRE	52	26	50%
ITALY	ITL	145,600	58,000	60%
LUXEMBOURG	LFR	3,3800	1,350	60%
NETHERLANDS	NLG	195	78	60%
NORWAY	NOK	832	390	53%
PORTUGAL	ESC	11,960	5,000	58%
SPAIN	PTAS	11,700	5,000	57%
SWEDEN	SEK	832	350	58%
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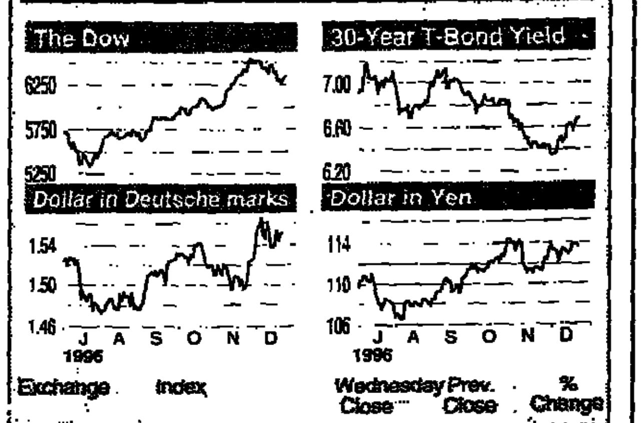

Exchange	Index	Wednesday Close	Prev. Close	% Change
NYSE	The Dow	6346.77	6308.33	+0.61
NYSE	S&P 500	731.54	726.04	+0.76
NYSE	S&P 100	710.15	704.28	+0.83
NYSE	Composite	385.17	382.77	+0.63
U.S.	Nasdaq Composite	1281.79	1263.79	+1.42
AMEX	Market Value	574.96	570.31	+0.82
Toronto	TSE Index	5727.64	5710.20	+0.31
São Paulo	Bovespa	69050.80	67846.80	+1.77
Mexico City	Bolsa	3273.16	3253.97	+0.59
Buenos Aires	Merval	614.78	608.28	+1.07
Santiago	IPSA General	4868.24	4878.53	-0.21
Caracas	Capital General	6230.64	6165.32	+1.06

Source: Bloomberg, Reuters — International Herald Tribune

Utility Makes $3.5 Billion Bid

Compiled by Our Staff From Dispatches

TOPEKA, Kansas — Western Resources Inc. offered $3.5 billion Wednesday for the 73 percent of ADT Ltd. it did not already own, a move that would make the Kansas electric utility the largest U.S. provider of security services.

The hostile offer for ADT, the biggest U.S. alarm company, totaled $22.50 a share in cash and stock, an 11 percent premium over ADT's closing price Tuesday. Shares of Western Resources rose 12.5 cents to close at $31.375 on Wednesday, while ADT shares surged $3.125 to $23.25.

Western, which is ADT's biggest shareholder, said it was calling for a special holders' meeting to unseat ADT's board and would make the offer for ADT directly to the company's other stockholders.

Western Resources has been aggressively expanding into the security business. On Monday, it agreed to buy Westinghouse Electric Corp.'s home security unit for $368 million in cash and $57 million in assumed debt. It also has offered to pay $1.9 billion in stock and assume $834 million in debt to buy Kansas City Power & Light Co.

The takeover of ADT would double Western Resources' customer base to about 4 million as gas and electric companies race to establish national franchises to prepare for deregulation of U.S. electricity sales.

Many forecasters have said that the basic supplying of electricity and gas will become businesses with low profit margins and that the real money will come from ancillary services such as home security, appliance repair and alliances to provide telecommunications services. Utilities can provide such services because they already have large customer bases and links to customers' homes.

"The global picture is, if you want to be a big national company today you have to control 5 million to 10 million customers," said Edward Tirello, an analyst with NatWest Securities Corp. "All of a sudden you have a company with 4 million customers to which you can sell home security and gas and electric services as the country opens up."

The takeover offer concerned some analysts, however, who said it could reduce earnings per share as much as 10 percent and further weaken Western Resources' financial position.

Standard & Poor's Corp. said it might lower Western Resources' debt ratings as much as two notches, to BBB, the lowest investment grade, if the transaction went through, saying that "in the absence of further equity issuances, the company's financial condition will erode." *(Bloomberg, AP)*

Stocks Rally on Hopes For High-Tech Profits

Compiled by Our Staff From Dispatches

NEW YORK — Stocks rose Wednesday, climbing for a second day as semiconductor, computer and software stocks soared on expectations of better-than-average earnings performance in the fourth quarter.

The Dow Jones industrial average closed at 6,346.77 points, up 38.44, after jumping 39.98 Tuesday, making its best two-day gain since late November. Advancing issues outnumbered decliners by an 8-to-5 ratio on the New York Stock Exchange.

A midafternoon jump in bond yields, however, caused the market rally to slow.

Yields rose after the Treasury's sale of $18.25 billion in two-year notes met tepid demand among traders and investors. The price of the benchmark 30-year Treasury bond finished at 97 13/32, down 19/32, with the yield rising to 6.70 percent from 6.66 percent Tuesday.

The technology-heavy Nasdaq Composite index gained 15.74 points to finish at 1,281.79.

"Technology has the best growth prospects of probably any area of the market over the next three years," said Robert Finch, a money manager who helps direct computer investments at Aeltus Investment Management.

Intel, the most active Nasdaq issue, rose 4½ to 134½. Other gainers included Microsoft, up 2 33/64 to 82 25/64; Dell Computer, up 3¼ to 56⅝, and Cisco Systems, up 1⅜ to 64⅛. On the Big Board, International Business Machines surged 6¾ to 158⅜, Compaq Computer rose 6⅛ to 78⅜, and Hewlett-Packard jumped 2½ to 52¾ as investors bet on better-than-expected earnings. America Online shares rose 4⅛ to 36¼.

Investment houses and brokerage firms were the biggest gainers among financial issues after a report Tuesday from Goldman Sachs that its fourth-quarter earnings had surged 69 percent, to $743 million, raising expectations for earnings at other banks and brokers. Morgan Stanley Group rose ¾ to 56¾, Dean Witter Discover added ⅞ to 66⅞, Merrill Lynch gained 2 to 80, and Travelers Group, parent of Smith Barney, rose ⅞ to 43¼.

Drug stocks helped lead the advance. Merck, the biggest U.S.

U.S. STOCKS

pharmaceutical maker, rose ¾ to 77 after it said fourth-quarter and 1997 earnings would be at the top end of analysts' range of estimates.

Genetics Institute shares soared 22 53/64 to 84 37/64 after American Home Products exercised its option to buy the 40 percent of the biotechnology company it did not already own for $1.2 billion. American Home shares slipped ¼ to 59.

Eli Lilly shares rose 1⅜ to 75⅛. Analysts at Merrill Lynch recently said the company was "positioned to become one of the fastest-growing companies in the drug industry in coming years" and that many investors' earnings expectations might prove conservative.

Warner-Lambert gained ⅜ to 74⅝, and Pfizer rose ⅝ to 81⅜. The U.S. Food and Drug Administration approved the companies' cholesterol-lowering drug, which analysts said had major sales potential.

Amoco rose 1⅜ to 79¼ after an analyst at Merrill Lynch said the company was "undervalued" because it had the largest natural gas reserves in North America.

Allstate rose 1⅜ to 56½. The property, casualty and life insurer was raised to "buy" from "outperform" by an analyst at Lehman Brothers. *(Bloomberg, AP)*

Very briefly:

SEC Eases Rules on Waiting Period

WASHINGTON (Bloomberg) — The Securities and Exchange Commission approved a rule Wednesday that eased long-standing trading restrictions on stocks and bonds that applied during the period before companies sold new issues of the securities to the public.

The new regulation, which goes into effect in two months, seeks to ease burdens on companies and on underwriters of secondary offerings without softening protections against price manipulation.

But the so-called Regulation M also aims to increase trading activity by eliminating the cooling-off period for the most actively traded securities.

Time Warner and Fox Reach Truce

NEW YORK (Bloomberg) — Time Warner Inc. and News Corp.'s Fox television network reached an agreement in a dispute over cable-television access that threatened to black out the Super Bowl football game to more than 1 million viewers, a Fox spokesman said Wednesday.

The two media companies have been embroiled in a fight over whether the Fox News channel can be carried on cable systems owned by Time Warner.

- **Avenor Inc.** will acquire **Repap Enterprises Inc.** for about 3 billion Canadian dollars ($2.20 billion) in stock and assumed debt, creating Canada's largest pulp and paper producer.
- **Microsoft Corp.** has acquired a minority stake in **Proginet Corp.** as part of an agreement designed to make its software more compatible with mainframe computers.
- **Losses from software piracy** for business programs rose 9 percent in 1995, to $13.1 billion for companies worldwide, according to a U.S. study.
- **Anheuser-Busch Cos.** said it would spend $550 million to increase its stake in a Mexican brewer, **Grupo Modelo SA**, to 37 percent from 17.7 percent. *Bloomberg, AP, Reuters*

Zenith to Cut 25% of Its U.S. Jobs

Compiled by Our Staff From Dispatches

GLENVIEW, Illinois — Zenith Electronics Corp., struggling to survive as the last U.S. television maker, said Wednesday it would cut more than 1,100 jobs, or about 25 percent of its American work force.

The consumer-electronics company, which is 55 percent owned by LG Electronics Inc. of South Korea, said it would eliminate 375 salaried positions and 800 hourly positions in the United States.

It said the hourly jobs would be cut in 1997, mostly through attrition, at the company's color picture-tube plant in Melrose Park, Illinois. Zenith spent $80 million in August to expand and automate much of the plant. The cuts would reduce its U.S. hourly work force to about 2,000.

The company provided few details about the cuts to salaried workers, but it said it would reduce those positions to fewer than 1,500 in the United States.

Intense price competition and delays in third-quarter shipments are dogging Zenith, once the world's largest maker of television sets. The company has seen its market share dwindle as Japanese consumer-electronics makers have pushed into the United States.

"Our fixed costs are simply too high for a company with sales at our levels and reporting such huge losses," Peter Willmott, the company's recently elected president, said in a letter to employees.

Zenith is struggling to stay alive before the expected 1998 launch of high-definition television. The company expects to get a boost from the launch because it will be one of the few makers of the new digital technology.

The cuts are expected to reduce expenses by about $20 million next year, Zenith said. It will take a $25 million fourth-quarter charge to cover the reductions. Zenith had a nine-month loss of $108.4 million, wider than a loss of $75.5 million a year earlier, as revenue fell to $860 million from $879 million. Its shares fell 87.5 cents to close at $11.50. *(AP, Bloomberg)*

German Interest-Rate Speculation Lifts Dollar in Europe

Compiled by Our Staff From Dispatches

NEW YORK — The dollar rose Wednesday against the Deutsche mark and other European currencies after a report showing slower German money supply growth in November prompted speculation that the Bundesbank might reduce interest rates again soon.

But the U.S. currency slipped against the yen after Japan reported that its trade surplus with the United States grew last month.

The dollar also fell against the pound after Britain reported that unemployment fell to nearly a six-year low of 6.9 percent in November, reinforcing expectations that the government will raise interest rates early next year.

The dollar rose to close at 1.5515 Deutsche

FOREIGN EXCHANGE

marks in New York trading from 1.5500 DM on Tuesday, but it fell to 113.675 yen from 113.850 yen. Against other European currencies, the dollar rose to 5.2430 French francs from 5.2300 francs and to 1.3290 Swiss francs from 1.3195 francs. The pound rose to $1.6740 from $1.6717. The Bundesbank reported that the M3 money supply, its leading inflation indicator, rose at an annual rate of 8.0 percent in November, down from October's 8.4 percent pace. While still exceeding the central bank's target range of 4 percent to 7 percent, it was the lowest monthly rate of the year.

Talk has spread in the market that the Bundesbank may cut the rate again at its council meeting Thursday, said Gabriel Grippo, chief currency trader at Credit Agricole. "They love to surprise the market," he said. But others said a cut was unlikely after the central bank warned Tuesday that such a move could unsettle financial markets and drive bond yields higher.

Meanwhile, the report on British employment, coupled with a better-than-expected retail sales report for November, was "the final nail in the coffin" for any hopes of steady or lower interest rates in Britain, Adam Cole, an economist at HSBC James Capel, said. *(Bloomberg, Reuters)*

AMEX

Wednesday's 4 p.m. Close
The top 300 most-active shares, up to the closing on Wall Street.
The Associated Press

Stock	Sales	High	Low	Latest	Chge
AMC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ARC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ARM F pf	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ATT Fd	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AVIC Gp n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Acadiana n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AdvMed	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AdvPhot	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Aeroson	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AirWat	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Aircoa	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Alamco	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AHoogen	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Alfin	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Alphaln	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AltLiving n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Amdhl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ABkCT	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AIM 84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ATechC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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Ampex n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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Arhyth	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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Astrotc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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Axogen un	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Azco	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
B&HO	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BAT Ind	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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Balchem	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Baldw	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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BT dep	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bayou	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BemaGold	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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Binkw	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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BlairCp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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Brandyw s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CFX Cp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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Cablvs pf	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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Cambior	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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Cardich n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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ColLb	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Comforce	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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DI Ind	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
DakotaM	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
DaniHa	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Datamet	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Davco	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
DaytonMn	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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DevnE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
DigiCT	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Diodes	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
DolAuEx	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
DryMu	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
DrivNor	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EXX A	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EXX B	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EZ Serv	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EchoBay	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Edisto	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EdisnI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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Elswth	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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GA FndIn	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GST Tele	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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GldStarR	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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GullLB	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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Han wfB	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Harken	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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HawAir	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Hearx n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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HomeV wt	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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ecInterne	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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IvaxCp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
JTS Corp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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JoneInt	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
KFX Inc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
KV Ph B	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
KV Ph A	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Keane s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
KevEng	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
KogerEq	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
LXR Biot	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Landaur	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
LaserInd	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
LehRTC wt	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MAI Sys	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Magellan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MagnPet	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MaximPh n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MaximP wt	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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Medq	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MercAir	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ML Cur pwt	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MLNik 97wt	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Metromda	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MichAnm	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MidatlRty	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MidcstE n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Midland	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MinnMuI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MoogA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MorgnF	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MSNik 97wt	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MovieStr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Munin	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MuniMtg n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MunvsT	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MunyAZ	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mversind	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
NTNCom	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
NVR	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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NtPatnt	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
NatAlt	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
NY Times	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
NA Vacc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Navarre	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
NCAPI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
OmniMult	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Oncor	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Oncormd	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Orangn	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
OriolH A	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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PLC Sys	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
PacRE n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
PamHld	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
PanAmC n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Paxsnc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
PegGld	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
PeopleTel	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
PhxNet	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
PinRsc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Polymed	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Polyph	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Polvisn	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
PortSys s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ProtHlt	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
PrpdLg	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
PrcCm	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Pricell s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
PracCT	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
PsycCp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
RF Pow	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
RegGold	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
RegalBl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rolanc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
RoyalO g	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SafePet s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SFeGa pf	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ShellRM	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ShellRCm s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SilverFds	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
scSoligen	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SCEd pfP	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SecCom	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SportsClb	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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SP Mid	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SterlHous	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
StevtnA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SubstAbus	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sulcus	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SunSrg	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TabPrd	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tache	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TelDta	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TexBiotch	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TelSal wt	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TexMer	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Thrmed	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ThrmBio n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ThCrs	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ThmFib s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ThrInst	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ThmoOp n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ThrQtk n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ThrSen n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ThrVolt s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Thermolse	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Thrmtx	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TopSrce	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TotlPet	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TownCty	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TWA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Transmi n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TrexMed n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Trinitch	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TubMex	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
USFGP	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
UTI Eng	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
UnivMrt	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Unitab	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Unimar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
UFoodA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
US Bio wt	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
USBiosci s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
US Cell	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
VaalPrg s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
VKAdMu2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
VKSelS	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Viacom	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ViacB	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Viac wtC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Viac wtE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
VistaG g	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Viragnc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
VoyMN2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
WRIT	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Webcmd	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
WIRET	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
WhitmE s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
WshTc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
WrelssT s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
XCL Ltd	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Xytron	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	6319.48	6356.77	6308.33	6346.77	+38.44
Trans	2244.88	2248.89	2229.78	2236.56	+1.54
Util	227.57	228.42	227.22	228.46	+0.84
Comp	1993.25	2001.67	1988.30	1997.46	+8.64

Standard & Poors

	High	Low	Close	Chg.
Industrials	861.27	852.01	860.13	+8.12
Transp.	535.24	532.13	534.97	+2.66
Utilities	195.72	194.63	195.68	+0.92
Finance	80.78	80.08	80.24	-0.15
SP 500	732.76	726.04	731.54	+5.50
SP 100	711.49	704.28	710.15	+5.87

NYSE

	High	Low	Last	Chg.
Composite	385.84	382.76	385.17	+2.40
Industrials	487.64	482.77	486.71	+3.94
Transp.	346.59	343.70	346.40	+2.51
Utility	252.07	250.96	251.64	+0.53
Finance	344.90	343.33	343.94	+0.50

Nasdaq

	High	Low	Last	Chg.
Composite	1283.83	1275.31	1281.79	+15.47
Industrials	1098.64	1094.03	1098.26	+9.56
Banks	1251.47	1249.38	1251.47	+2.71
Insurance	1415.70	1410.38	1411.41	-3.03
Finance	1548.87	1543.60	1546.38	+5.63
Transp.	885.93	882.95	882.95	-0.76

AMEX

	High	Low	Last	Chg.
	574.96	570.31	574.96	+4.65

Dow Jones Bond

	Close	Chg.
20 Bonds	103.20	-0.12
10 Utilities	100.03	+0.01
10 Industrials	106.36	-0.27

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
ADT	73542	23⅞	22⅛	23¼	+3⅛
FrontrCp	67859	22⅝	20⅝	22½	+1⅝
MicrnT	62640	32⅝	30⅝	32⅛	—
Compaq	61889	78⅝	74⅝	78⅜	+6⅛
AT&T s	51764	39⅛	38⅝	38⅝	-¼
Iomega s	48060	18⅝	17⅝	18¼	+⅞
Motorola	42858	56⅝	53¾	56⅝	+2⅝
CnTrnRlt	42275	⁹⁄₃₂	⁷⁄₃₂	⁷⁄₃₂	+¹⁄₃₂
WalMart	38447	23⅝	23	23⅛	+⅛
Hanson s	35621	7⅛	6⅞	6⅞	-⅛
IBM	35616	159	152⅝	158⅜	+6¾
AmerOn	32280	36⅝	32½	36¼	+4⅛
PepsiCo s	31311	28⅝	28⅜	28⅝	+¼
LCI Intl	29367	26¼	24⅝	25⅝	+¼
Monsan s	29333	37⅝	37	37½	+⅝

Nasdaq

	Vol.	High	Low	Last	Chg.
Intel	106719	135⅞	131¼	135⅝	+5⅝
DellCpt s	98432	57½	52⅝	56½	+3¼
Micrsft s	76724	82⅝	80	82⅜	+2⅝
Oracle s	75287	43½	42	42¼	-1
Cisco s	64072	64⅞	63¼	64	+1⅛
WorldCm s	63808	23⅝	22⅝	23½	-⅜
3Com	59552	77¹¹⁄₁₆	72¼	77½	+5⅝
MCI	52000	32½	31¾	32⁷⁄₁₆	+⁷⁄₁₆
DSC	47324	19⅝	17⅞	19⅝	+1½
SunMic s	45954	30⅞	29½	30⅝	+1⅜
Micsft pf	41100	81½	79⁴⁵⁄₆₄	80⅝	—
Intel wt	39889	97¼	92¼	97¼	+6⅛
Ascend	36330	69⅛	65⅝	69	+3
Gate2000	33115	59½	55⅝	59½	+4½
GenetInst	31868	85	84¼	84⅝	+22⅞

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	16185	73⁴⁵⁄₆₄	73¹¹⁄₆₄	73²¹⁄₃₂	+¹⁹⁄₃₂
Hearx n	13775	2⅛	1¹⁵⁄₁₆	2¹⁄₁₆	+⅛
XCL Ltd	11942	³⁄₁₆	⅛	³⁄₁₆	-¹⁄₁₆
ViacB	9149	37½	36¼	36⅞	+⅝
Han wtB	7270	¹⁄₁₂₈			—
Hasbro	7251	38½	37¼	38⅝	+⅞
Amdhl	6707	13⅝	12⅞	13⅝	+¾
IvaxCp	6686	10⅝	10⅜	10⅝	—
TWA	6332	7½	7⁵⁄₁₆	7⅜	-⅛
FAusPr	6323	9	8⅞	8¹⁵⁄₁₆	-¹⁄₁₆

Trading Activity

NYSE

	Close	Prev.
Advanced	1601	1264
Declined	957	1275
Unchanged	805	812
Total issues	3363	3351
New Highs	69	41
New Lows	52	76

Nasdaq

	Close	Prev.
Advanced	2248	1742
Declined	1738	2291
Unchanged	1788	1732
Total issues	5774	5765
New Highs	122	71
New Lows	159	182

AMEX

	Close	Prev.
Advanced	296	212
Declined	245	337
Unchanged	196	211
Total issues	737	760
New Highs	14	6
New Lows	11	25

Market Sales

	Today Close	Prev. cons.
NYSE	500.40	621.01
Amex	22.91	25.64
Nasdaq	566.70	613.23

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Bco Indl Columb	-	.084	12-24	1-13
Homeplex Mtg Inv	-	.02	12-30	1-16
Marathon Fnd	-	.06	12-27	1-27
Repsol SA	-	.6025	1-9	1-21
Taiwan Fund	-	.0078	12-27	1-17
VinaConcha y Toro	-	.1178	12-23	1-7
STOCK SPLIT				
Consol Graphics 2 for 1 split.				
St. Paul Bcp 5 for 4 split.				
Tuscarora Inc 3 for 2 split.				
Unison software 3 for 2 split.				
STOCK				
Evans Systems	-	5%	12-31	1-20
SMT HlthSvcs	-	7%	1-10	1-20
INCREASED				
Ameritech Corp	Q	.565	12-31	2-1
Brooklyn Un Gas	Q	.365	1-2	2-1
Duff&Phelps	M	.08	12-31	1-10
Quick & Reilly	Q	.09	3-3	4-1
Tuscarora Inc	S	.14	12-27	1-6
REGULAR				
All Amer TrmTr	M	.085	12-24	12-31
Allmerica PropCas	Q	.04	1-31	2-14
Aquarion Co	Q	.405	1-10	1-30
Bankers Tr NY Cp	Q	1.00	12-27	1-25
Butler Mfg	Q	.12	12-27	1-14
CPC Intl	Q	.41	1-2	1-24
Center Bcp	Q	.20	1-17	2-1
Citizens Corp	Q	.05	1-31	2-14
Echlin Inc	Q	.22	1-6	1-17
First Bcp NC	Q	.11	12-31	1-25
GFSB Bancorp	Q	.10	12-31	1-17
Gen Grth Prop	Q	.43	12-31	1-31
Global HiInco	M	.106	12-24	12-31
Insur MuniInco	M	.064	12-24	12-31
InvGrde MuniInco	M	.075	12-24	12-31
K2 Inc	Q	.11	12-26	1-2
Lawson Prod	Q	.13	1-3	1-17
Malan Rlty Inv	Q	.425	12-31	1-21
Managed HiInco	M	.105	12-24	12-31
Manor Care	Q	.022	2-14	2-27
Measurex Corp	Q	.11	1-2	1-10
Molex Inc	Q	.015	12-31	1-27
Monmouth REIT	Q	.105	2-17	3-17
Prime Bancorp	Q	.17	1-2	2-1
Royale Invest	Q	.125	12-30	1-15
SCI Finance LLC	M	.2604	12-30	12-31
SEI Corp	S	.12	12-31	1-21
Sovran SelfStor	Q	.52	1-6	1-22
Technology Resh	Q	.06	12-31	1-21
Trigen Energy	Q	.035	12-31	1-14
Triple A&Gov97	M	.0417	12-24	12-31
Troy Hill Bcp	Q	.10	12-31	1-10

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration. a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99.cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Dec. 18, 1996

Grains

	High	Low	Close	Chge	Opint
CORN (CBOT) 5,000 bu minimum- dollars per bushel					
Dec 96	2.76¾	2.71	2.71¼	+0.00½	4,502
Mar 97	2.70	2.63½	2.64¾	-0.00¾	149,519
May 97	2.72	2.65	2.65¾	-0.01¾	32,775
Jul 97	2.74	2.69	2.69¾	-0.01¼	35,216
Sep 97	2.67½	2.63	2.63¼	-0.01	5,847
Est. sales N.A. Tue's. sales 52,230					
Tue's open int 307,121 off 318					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Dec 96	246.00	241.00	245.00	+4.00	3,120
Jan 97	232.60	228.00	228.10	-0.80	24,135
Mar 97	224.90	220.50	220.70	-1.20	24,375
May 97	220.00	215.80	216.00	-0.80	15,498
Jul 97	219.00	215.00	215.10	-0.60	10,447
Aug 97	217.50	214.80	214.00	-0.70	2,060
Est. sales N.A. Tue's. sales 21,779					
Tue's open int 83,104 off 1377					
SOYBEAN OIL (CBOT) 60,000 lbs- dollars per 100 lbs.					
Dec 96	23.35	23.18	23.34	+0.08	1,161
Jan 97	22.59	22.38	22.48	+0.04	25,980
Mar 97	24.05	23.77	23.81	+0.01	28,973
May 97	24.30	24.09	24.12		13,484
Jul 97	24.50	24.25	24.41	+0.04	9,933
Aug 97	24.60	24.42	24.42	+0.02	1,855
Est. sales N.A. Tue's. sales 23,281					
Tue's open int 84,559 off 463					
SOYBEANS (CBOT) 5,000 bu minimum- dollars per bushel					
Jan 97	7.16¾	7.03	7.04	-0.02½	46,397
Mar 97	7.12½	6.98¾	6.99½	-0.02	44,942
May 97	7.08	6.95	6.95¾	-0.02¾	25,556
Jul 97	7.09	6.96	6.96½	-0.02¾	24,418
Aug 97	7.05½	6.95	6.95½	-0.01¾	2,971
Est. sales N.A. Tue's. sales 45,803					
Tue's open int 155,712 up 538					
WHEAT (CBOT) 5,000 bu minimum- dollars per bushel					
Dec 96	4.16	4.01	4.02	-0.02½	380
Mar 97	4.10½	3.94½	4.00¼	+0.06½	31,101
May 97	3.87	3.70	3.75½	+0.05¼	5,250
Jul 97	3.59	3.47	3.51	+0.03	19,507
Est. sales N.A. Tue's. sales 12,341					
Tue's open int 57,620 off 326					

Livestock

	High	Low	Close	Chge	Opint
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Dec 96	66.67	66.42	66.55	-0.17	5,020
Feb 97	63.45	63.10	63.42	+0.17	33,949
Apr 97	64.55	64.25	64.45		22,533
Jun 97	62.45	62.25	62.35	+0.05	9,817
Aug 97	62.17	62.02	62.10		8,457
Oct 97	64.80	64.60	64.77	+0.10	5,985
Est. sales 11,772 Tue's. sales 14,009					
Tue's open int 87,620 up 800					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Jan 97	65.75	65.25	65.37	-0.45	3,680
Mar 97	65.70	65.20	65.22	-0.60	4,532
Apr 97	66.15	65.80	65.95	-0.25	1,921
May 97	66.50	66.15	66.30	-0.32	2,751
Aug 97	68.62	68.45	68.52	-0.18	1,627
Sep 97	68.37	68.25	68.35	-0.12	330
Est. sales 7,406 Tue's. sales 1,622					
Tue's open int 15,198 up 116					
HOGS-Live(3/97 Lean) (CMER) 40,000 lbs.- cents per lb.					
Dec 96	60.45	59.90	60.25	+0.13	3,673
Feb 97	75.57	75.20	75.45		14,375
Apr 97	71.57	71.20	71.52	+0.10	5,762
Jun 97	74.70	74.32	74.57	+0.10	5,032
Jul 97	71.90	71.55	71.85	+0.18	1,452
Aug 97	68.05	67.80	68.05	+0.05	905
Est. sales 6,600 Tue's. sales 6,941					
Tue's open int 32,384 off 163					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Feb 97	78.20	76.65	78.05	+0.48	4,501
Mar 97	77.30	76.17	77.20	+0.63	882
May 97	78.40	76.50	78.00	+0.55	556
Jul 97	77.97	76.50	77.97	+0.57	467
Aug 97	73.40	73.00	73.00	+0.15	112
Est. sales 1,744 Tue's. sales 1,480					
Tue's open int 6,518 up 68					

Food

	High	Low	Close	Chge	Opint
COCOA (NCSE) 10 metric tons- $ per ton					
Mar 97	1377	1356	1374	+18	33,960
May 97	1400	1381	1397	+17	12,498
Jul 97	1422	1410	1420	+16	9,225
Sep 97	1441	1437	1438	+15	6,756
Dec 97	1459	1445	1458	+15	1,490
Est. sales 8,282 Tue's. sales 7,057					
Tue's open int 80,784 up 1494					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Mar 97	112.15	109.50	111.90	+2.00	15,946
May 97	109.20	107.35	109.00	+1.85	6,377
Jul 97	107.50	106.10	107.30	+1.25	1,876
Sep 97	106.00	104.30	105.60	+1.60	1,461
Est. sales 6,774 Tue's. sales 5,034					
Tue's open int 27,081 up 57					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Mar 97	10.87	10.69	10.86	+0.09	79,748
May 97	10.89	10.76	10.89	+0.08	37,606
Jul 97	10.85	10.77	10.84	-0.03	22,891
Oct 97	10.84	10.78	10.82	-0.01	13,214
Est. sales 25,635 Tue's. sales 33,306					
Tue's open int 152,716 up 3515					
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Jan 97	90.90	88.90	88.85	-1.55	9,180
Mar 97	94.50	92.25	92.35	-1.50	12,334
May 97	97.50	95.80	95.80	-1.20	3,218
Jul 97	100.50	98.75	98.75	-1.00	725
Est. sales N.A. Tue's. sales 3,761					
Tue's open int 25,762 off 67					

Metals

	High	Low	Close	Chge	Opint
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Dec 96	370.50	370.00	370.00	+0.80	823
Jan 97			370.50	+0.80	
Feb 97	371.60	370.40	371.30	+0.80	91,152
Apr 97	373.80	372.70	373.50	+0.80	22,352
Jun 97	376.20	375.30	375.90	+0.80	15,766
Aug 97	378.50	378.50	378.40	+0.90	5,307
Oct 97	380.70	380.70	380.90	+0.90	2,413
Dec 97			383.40	+0.90	13,143
Est. sales N.A. Tue's. sales 34,828					
Tue's open int 185,415 off 450					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Dec 96	102.50	99.20	101.05	+2.25	3,217
Jan 97	101.20	98.60	100.60	+2.75	6,311
Feb 97	99.50	97.70	99.40	+2.30	1,455
Mar 97	99.40	96.50	98.60	+2.30	30,485
Apr 97	97.30	97.30	97.30	+2.10	926
May 97	96.90	94.30	96.10	+2.20	4,561
Jun 97			95.45	+2.05	764
Jul 97	95.60	93.60	94.75	+1.95	3,714
Aug 97			94.30	+1.80	574
Est. sales N.A. Tue's. sales 9,525					
Tue's open int 53,962 off 2692					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Dec 96	484.5	481.5	484.0		83
Jan 97	484.0	484.0	484.4		24
Feb 97			486.8		2
Mar 97	492.0	485.5	489.3		55,459
May 97	494.5	490.0	492.9		9,610
Jul 97	500.0	496.0	498.3		8,381
Sep 97	504.0	504.0	502.9		2,943
Dec 97	510.5	509.0	509.6		4,519
Est. sales N.A. Tue's. sales 23,152					
Tue's open int 83,189 off 539					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Jan 97	375.00	372.50	374.90	+3.10	13,053
Apr 97	376.90	374.50	376.70	+3.10	13,313
Jul 97	379.50	378.50	379.40	+3.10	2,840
Oct 97			382.10	+3.10	1,985
Jan 98	383.90	383.90	384.80	+3.10	222
Est. sales N.A. Tue's. sales 6,495					
Tue's open int 30,613 off 799					

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1499.00	1499½	1486½	1487½
Forward	1531½	1532.00	1518½	1519.00
Copper Cathodes (High Grade)				
Spot	2158.00	2160.00	2150.00	2152.00
Forward	2101.00	2103.00	2101.00	2102.00
Lead				
Spot	692.00	692½	687½	688½
Forward	698½	699.00	694.00	695.00
Nickel				
Spot	6465.00	6470.00	6450.00	6460.00
Forward	6565.00	6570.00	6550.00	6560.00
Tin				
Spot	5750.00	5755.00	5710.00	5720.00
Forward	5805.00	5810.00	5765.00	5770.00
Zinc (Special High Grade)				
Spot	1029½	1030.00	1026½	1027½
Forward	1053.00	1054.00	1051.00	1052.00

Financial

	High	Low	Close	Chge	Opint
US T. BILLS (CMER) $1 million- pts of 100 pct.					
Mar 97	94.99	94.94	94.94	-0.02	4,497
Jun 97	94.84	94.82	94.82	-0.03	2,353
Sep 97			94.70	-0.02	29
Est. sales N.A. Tue's. sales 415					
Tue's open int 6,979 off 7					
5 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Dec 96	107-02	106-255	106-255	- 06	6,384
Mar 97	106-255	106-17	106-175	- 06	144,774
Jun 97	106-155	106-085	106-095	- 055	2,498
Est. sales 31,500 Tue's. sales 48,980					
Tue's open int 153,866 up 7792					
10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Dec 96	109-15	109-03	109-04	- 09	11,726
Mar 97	109-12	108-29	108-31	- 09	277,223
Jun 97	108-23	108-11	108-12	- 09	7,190
Est. sales 95,000 Tue's. sales 139,187					
Tue's open int 296,299 off 1007					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Dec 96	113-06	112-12	112-14	- 15	29,707
Mar 97	112-25	112-01	112-02	- 15	434,736
Jun 97	112-07	111-08	111-18	- 15	14,970
Sep 97	111-24	111-03	111-03	- 15	4,465
Est. sales N.A. Tue's. sales 422,932					
Tue's open int 487,653 up 6993					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Dec96	109-17	109-06	109-14	- 0-01	4,113
Mar97	108-30	108-08	108-22	Unch.	131,642
Jun97	N.T.	N.T.	108-02	Unch.	
Est. sales: 43,867. Prev. sales: 21,082					
Prev. open int.: 135,767 off 3,260					
GERMAN GOVERNMENT BUND (LIFFE) DM250,000 - pts of 100 pct					
Mar97	100.20	99.87	100.03	+0.19	221,384
Jun97	99.20	99.20	99.73	+0.19	182
Est. sales: 71,558. Prev. sales: 101,432					
Prev. open int.: 221,566 up 894					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Mar97	128.73	128.42	128.57	+0.21	90,259
Jun97	128.15	128.15	128.03	+0.21	1,320
Est. sales: 71,558. Prev. sales: 39,629					
Prev. open int.: 91,579 up 2,633					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Jan 97	94.490	94.460	94.470	-20	20,412
Feb 97	94.480	94.440	94.450	-20	3,963
Mar 97	94.440	94.400	94.420	-10	412,297
Jun 97	94.300	94.250	94.260	-30	317,834
Mar 00	93.380	93.320	93.330	-30	39,121
Jun 00	93.310	93.250	93.270	-30	35,615
Sep 00	93.260	93.200	93.220	-30	31,236
Dec 00	93.170	93.110	93.130	-28	25,328
Est. sales N.A. Tue's. sales 629,346					
Tue's open int 2,055,145 off 330128					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Dec 96	1.6544	1.6544	1.6576	+32	7
Mar 97	1.6728	1.6662	1.6704	+32	23,152
Jun 97	1.6670	1.6640	1.6666	+32	2,142
Sep 97			1.6622	+32	1,027
Est. sales N.A. Tue's. sales 5,629					
Tue's open int 35,034 up 609					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Mar 97	.7380	.7355	.7356	-16	47,568
Jun 97	.7405	.7391	.7392	-16	11,045
Sep 97	.7433	.7430	.7424	-16	3,799
Dec 97	.7482	.7455	.7454	-16	238
Est. sales N.A. Tue's. sales 8,826					
Tue's open int 81,711 up 459					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Dec 96			.6598	-9	17
Mar 97	.6489	.6465	.6479	-10	47,079
Jun 97	.6520	.6506	.6519	-9	4,347
Sep 97			.6559	-9	1,693
Est. sales N.A. Tue's. sales 18,760					
Tue's open int 85,096 up 302					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Dec 96			.009253	+11	8
Mar 97	.008937	.008895	.008908	+14	52,967
Jun 97	.009037	.009024	.009023	+13	1,221
Est. sales N.A. Tue's. sales 12,509					
Tue's open int 76,593 up 1349					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Mar 97	.7625	.7555	.7579	-31	41,716
Jun 97	.7657	.7622	.7647	-31	1,327
Sep 97	.7710	.7695	.7716	-31	1,789
Est. sales N.A. Tue's. sales 7,921					
Tue's open int 49,777 off 344					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Dec96	93.61	93.56	93.56	-0.04	85,373
Mar97	93.44	93.38	93.38	-0.14	92,704
Jun97	93.19	93.01	93.02	-0.15	93,247
Sep97	92.99	92.79	92.81	-0.16	54,258
Dec97	92.81	92.59	92.63	-0.15	40,110
Mar98	92.66	92.50	92.51	-0.13	30,578
Jun98	92.55	92.38	92.41	-0.12	22,465
Sep98	92.44	92.33	92.33	-0.11	18,326
Dec98	92.34	92.20	92.24	-0.09	16,437
Mar99	92.26	92.19	92.20	-0.06	8,068
Jun99	92.17	92.10	92.11	-0.07	5,445
Sep99	92.08	92.04	92.07	-0.07	4,504
Est. sales: 103,605. Prev. sales: 27,949					
Prev. open int.: 466,410 off 3,297					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Mar97	96.91	96.86	96.88	-0.01	210,645
Jun97	96.86	96.82	96.82	-0.02	165,998
Sep97	96.73	96.68	96.69	-0.07	136,586
Dec97	96.53	96.46	96.47	-0.02	124,263
Mar98	96.20	96.22	96.22	-0.04	81,151
Jun98	96.02	95.93	95.95	-0.05	65,347
Sep98	95.70	95.63	95.63	-0.06	57,722
Dec98	95.37	95.31	95.32	-0.02	51,751
Mar99	95.08	95.03	95.03	-0.02	34,537
Jun99	94.78	94.75	94.75	-0.01	20,347
Sep99	94.52	94.48	94.49	Unch.	13,974
Dec99	94.35	94.23	94.22	Unch.	1,279
Est. sales: 92,323. Prev. sales: 80,385					
Prev. open int.: 963,692 up 4,291					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Mar97	93.66	93.62	93.63	+0.01	93,830
Jun97	94.04	93.99	94.00	+0.01	52,906
Sep97	94.15	94.12	94.12	+0.01	29,313
Dec97	94.15	94.10	94.12	+0.01	15,936
Mar98	94.10	94.05	94.06	+0.01	12,498
Jun98	94.03	93.98	93.98	-0.01	1,263
Est. sales: 17,910. Prev. sales: 38,748					
Prev. open int.: 204,766 up 932					

Industrials

	High	Low	Close	Chge	Opint
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Mar 97	75.74	74.92	75.53	-0.01	25,074
May 97	76.75	76.11	76.65	+0.10	10,952
Jul 97	77.50	77.00	77.45	+0.09	7,819
Oct 97	76.80	76.55	77.13	+0.13	1,241
Dec 97	76.65	76.35	76.60		9,443
Mar 98			77.50		480
Est. sales N.A. Tue's. sales 5,107					
Tue's open int 55,972 up 131					
HEATING OIL (NMER) 42,000 gal- cents per gal					
Jan 97	74.65	72.15	74.00	+0.46	38,102
Feb 97	73.20	71.05	72.40	+0.30	31,472
Mar 97	69.80	68.25	69.55	+0.45	13,408
Apr 97	65.40	64.25	65.00	+0.15	8,129
May 97	61.70	61.60	61.15	-0.45	4,793
Jun 97	59.90	59.05	59.85	+0.25	5,215
Jul 97	59.30	58.90	58.90	+0.05	3,126
Aug 97	59.40	58.40	58.40	-0.55	3,091
Sep 97	59.00	59.00	59.00	-0.25	2,840
Oct 97	59.10	59.10	59.10	-0.45	1,695
Est. sales N.A. Tue's. sales 37,938					
Tue's open int 110,070 off 1206					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Jan 97	26.50	25.83	26.10	+0.39	34,165
Feb 97	25.31	24.37	25.20	+0.30	90,079
Mar 97	24.70	23.80	24.60	+0.19	33,949
Apr 97	24.00	23.40	23.95	+0.13	21,319
May 97	23.30	22.90	23.30	+0.06	17,701
Jun 97	22.83	22.30	22.78	+0.01	28,336
Jul 97	22.28	21.84	22.28	+0.06	14,492
Aug 97	21.80	21.42	21.80	-0.02	13,771
Sep 97	21.45	21.05	21.45	+0.02	11,863
Oct 97	20.73	20.73	20.73	-0.27	8,093
Nov 97	20.75	20.55	20.75	+0.03	7,932
Dec 97	20.48	20.10	20.48	+0.05	24,625
Jan 98	20.35	20.25	20.35	+0.11	7,278
Est. sales N.A. Tue's. sales 92,512					
Tue's open int 367,120 off 3440					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Jan 97	4.315	3.900	4.075	-05	34,112
Feb 97	3.725	3.475	3.586	-07	31,867
Mar 97	3.170	2.980	3.062	-22	14,805
Apr 97	2.570	2.450	2.500	-5	10,014
May 97	2.340	2.270	2.300	-20	7,478
Jun 97	2.220	2.195	2.210	-15	6,929
Jul 97	2.225	2.190	2.210	-18	4,763
Aug 97	2.220	2.200	2.210		6,074
Sep 97	2.220	2.195	2.205	-5	6,008
Oct 97	2.230	2.195	2.210	-5	6,087
Nov 97	2.290	2.260	2.260	-20	3,429
Est. sales N.A. Tue's. sales 45,166					
Tue's open int 163,423 up 3115					
UNLEADED GASOLINE (NMER) 42,000 gal- cents per gal					
Jan 97	71.50	68.60	70.80	+1.03	28,798
Feb 97	70.10	67.65	69.68	+0.83	21,672
Mar 97	69.50	67.20	69.35	+1.03	11,500
Apr 97	70.80	68.90	70.80	+1.03	4,737
May 97	69.60	67.90	68.50	-0.52	3,216
Jun 97	68.20	66.70	66.70	-1.02	2,643
Est. sales N.A. Tue's. sales 34,561					
Tue's open int 66,471 up 3916					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Jan 97	222.75	217.50	219.25	-2.75	28,328
Feb 97	216.75	212.25	213.75	-2.25	12,930
Mar 97	207.50	205.00	205.50	-2.50	8,074
Apr 97	198.25	196.25	196.50	-2.50	6,214
May 97	N.T.	N.T.	190.75	-2.50	2,900
Jun 97	188.00	185.75	186.25	-2.50	7,367
Jul 97	186.75	185.50	185.00	-2.75	2,160
Aug 97	185.00	185.00	184.50	-2.50	847
Sept 97	N.T.	N.T.	184.00	-2.50	418
Oct 97	N.T.	N.T.	183.50	-2.50	896
Nov 97	N.T.	N.T.	183.00	-2.50	67
Est. sales: 9,000. Open int.:72,315 off 127					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
Feb 97	23.95	23.21	23.92	+0.22	58,785
Mar 97	23.30	22.60	23.26	+0.22	32,880
Apr 97	22.66	22.05	22.60	+0.21	15,101
May 97	21.96	21.45	22.01	+0.22	10,650
June 97	21.50	20.89	21.44	+0.23	12,009
July 97	N.T.	N.T.	20.97	+0.23	9,922
Aug 97	N.T.	N.T.	20.60	+0.24	2,356
Sep 97	20.02	19.88	20.27	+0.25	6,270
Oct 97	19.72	19.45	19.98	+0.26	2,565
Nov 97	19.45	19.45	19.71	+0.26	2,119
Est. sales: 25,000. Open int.:154,754 up 217					

Stock Indexes

	High	Low	Close	Chge	Opint
S&P COMP. INDEX (CMER) 500 x index					
Dec 96	733.50	729.80	730.60	+4.25	79,071
Mar 97	740.65	732.60	737.60	+4.35	166,799
Jun 97	746.50	741.90	743.55	+3.90	5,242
Sep 97	753.00	749.50	750.30	+4.15	1,390
Est. sales N.A. Tue's. sales 127,723					
Tue's open int 252,502 up 3393					
FTSE 100 (LIFFE) £25 per index point					
Dec96	4020.0	3982.5	4016.0	+44.0	27,191
Mar97	4031.0	3997.0	4028.5	+42.5	48,357
Jun97	4044.5	4017.5	4050.0	+42.0	2,269
Est. sales: 28,095. Prev. sales: 35,630					
Prev. open int.: 69,812 off 468					

Commodity Indexes

	Close	Previous
Moody's	1,434.20	1,432.40
Reuters	1,862.10	1,860.50
D.J. Futures	147.13	146.39
CRB	245.17	244.74

Spot Commodities

	Today	Prev.
Aluminum, lb	0.674	0.672
Copper electrolytic, lb	1.04	1.04
Iron FOB, ton	167.00	167.00
Lead, lb	0.50	0.50
Silver, troy oz	4.845	4.865
Steel (scrap), ton	109.17	109.17
Tin, lb	3.862	3.9265
Zinc, lb	0.5211	0.5277

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

To Our Readers

Because of technical problems at the source, MATIF figures were not available for this edition. We regret the inconvenience.

LVMH Wins Right To Acquire Chain Of Duty-Free Shops

Compiled by Our Staff From Dispatches

PARIS — LVMH Moet Hennessy Louis Vuitton SA, the world's biggest luxury goods company, won the right Wednesday to buy a U.S.-owned chain of duty-free stores that it said would add 50 percent to its sales, in a deal valued at $2.47 billion.

Shares in LVMH rose after an arbitrator ruled it could buy 58.75 percent of DFS Group Ltd., one of the world's biggest operators of duty-free retail stores, mainly in the Asia-Pacific region.

"LVMH has long considered the distribution of luxury products in the Asia-Pacific region and emerging markets to be the key to accelerating LVMH's overall growth in sales and profits," said Bernard Arnault, LVMH's president.

LVMH said it bought all of the 58.75 percent stake in DFS except for a stake of 8.85 percent of one of the DFS companies. It will complete that part if the sale after an antitrust waiting period. The stake is owned by Charles Feeny, a founder of DFS, and Alan Parker, one of its lawyers.

LVMH, a French company, makes Louis Vuitton leather goods, perfumes bearing the Christian Dior, Givenchy and Guerlain names and a range of wines and spirits, including Dom Perignon and Moet & Chandon champagne and Hennessy cognac.

It said Wednesday that the acquisition would increase its sales by nearly 50 percent and operating results by 30 percent.

DFS, which is based in San Francisco, operates 180 duty-free shops. The company has annual sales of $2.9 billion. In 1995, LVMH had sales of $5.73 billion and profit of $778 million.

The DFS management team will remain in place following the acquisition.

LVMH shares closed at 1,347 French francs ($257.53) on Wednesday, up 104 francs, after the arbitrator's decision became known.

(Bloomberg, NYT)

Entergy to Acquire U.K. Electric Utility For £1.27 Billion

The Associated Press

LONDON — Entergy Corp., a U.S. power company, said Wednesday it had agreed to purchase London Electricity PLC in a deal that valued the utility at £1.27 billion ($2.11 billion).

Entergy said the cash bid of 705 pence a share represented a 27 percent premium over the price of London Electricity in late October, when speculation about a takeover pushed its stock higher.

Entergy said it hoped to take control by March of London Electricity, which serves about 2 million customers in the London metropolitan area.

The British regional electricity sector has been a hotbed of merger activity since the middle of 1995, with several takeovers valued at about £1 billion.

One deal still pending is a hostile bid by a U.S. power group, CalEnergy Co. for Northern Electric PLC.

Telecoms Feel Heat at Home, Too

By Barry James
International Herald Tribune

U.S. demands for foreign phone companies to cut their international rates have annoyed telecommunications operators in Europe that are sharply cutting charges in anticipation of deregulation.

France Telecom, for example, said last week it would introduce a 20 percent average cut in long-distance telephone rates March 4, on top of two rate reductions averaging 9 percent and 13.5 percent this year. It said charges for peak-time calls to the United States would be cut as much as 33 percent. This means the highest rate for calls between France and the United States will have fallen from 9.75 francs ($1.86) a minute in 1986 to 4.45 francs today and to 2.97 francs in March. France Telecom said it would then be the third-cheapest large European operator across the Atlantic, after Mercury Communications Ltd. and British Telecom in Britain.

Like telecommunications companies in other European countries, France Telecom has had to cut prices in the face of competition from other operators and call-back services, which enable callers in France to dial the United States as though they were in America.

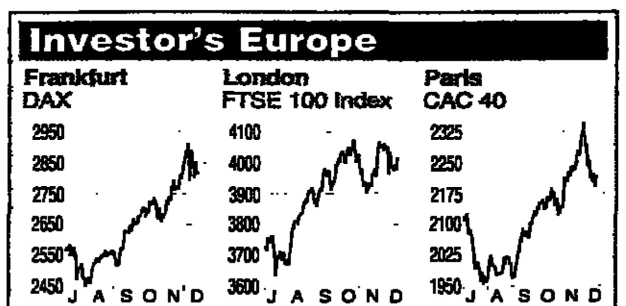
Similarly, in Britain, the privatized British Telecom is being challenged by "international simple reseller" companies that buy spare cable and satellite time in bulk and sell it to consumers at as much as 60 percent below BT's base rates.

When a telephone company sells an international call, it is paid by the caller but owes the telephone operator at the other end for completing the communication. Because of this payment for communications coming in from beyond their borders, many telephone companies run ads in other countries urging customers to "call home."

For the United States, more calls go out of the country than go in, meaning U.S. companies have to pay their counterparts abroad for the imbalance, which comes to about $5 billion a year. (Part of the imbalance, of course, is caused by overseas customers using call-back services.) The Federal Communications Commission in Washington says the payments are too much and is proposing a rule that would allow it to order U.S. companies not to pay rates it considers unduly high.

A spokesman for the International Telecommunications Union in Geneva said there was no international framework for regulating international connection payments and that it was up to individual phone companies to work out differences. Non-U.S. operators are incensed because they say the United States is trying to set telephone rates for the world.

Investor's Europe



Exchange	Index	Wednesday Close	Prev. Close	% Change
Amsterdam	EOE	618.43	612.94	+0.90
Brussels	BEL-20	1,861.39	1,849.03	+0.67
Frankfurt	DAX	2,820.75	2,815.13	+0.20
Copenhagen	Stock Market	460.95	459.69	+0.27
Helsinki	HEX General	2,414.91	2,382.35	+1.37
Oslo	OBX	505.94	503.69	+0.45
London	FTSE 100	4,018.20	3,979.60	+0.97
Madrid	Stock Exchange	415.93	409.56	+1.56
Milan	MIBTEL	10,406.00	10,293.00	+1.10
Paris	CAC 40	2,218.89	2,193.70	+1.15
Stockholm	SX 16	2,441.15	2,393.43	+1.99
Vienna	ATX	1,125.76	1,126.12	-0.03
Zurich	SPI	2,471.62	2,459.89	+0.46

Source: Telekurs — International Herald Tribune

Paris Adds to Framatome Terms

Reuters

PARIS — A parliamentary commission said Wednesday it had approved the planned merger between the British-French energy and industrial company GEC Alsthom and the French state-controlled nuclear-plant company Framatome Connectors SA.

But it attached a number of what it called "nonnegotiable" conditions to its approval that went beyond the terms set by Franck Borotra, France's industry minister.

GEC Alsthom is a joint venture between France's Alcatel Alsthom and General Electric Co. of Britain, which is not related to the U.S. company of the same name. Framatome is the world's biggest maker of nuclear power stations. The commission said the company resulting from the merger had to be French, which means Framatome must absorb GEC Alsthom. It also wants French shareholders to have control of the company for as long as it remains unlisted and a blocking minority interest when it is publicly traded.

GEC, however, has let it be known that it does not want to be a minority shareholder in the new company.

The commission also said the nuclear activities of Framatome had to be put in a special subsidiary and that the government should have a veto right on strategic decisions.

It said the cash reserves of the nuclear unit should at least equal a provision for nuclear risks, or the cost of decommissioning plants. That figure is estimated at 6.5 billion francs ($1.24 billion). The commission also said a cooperation program with Siemens AG to develop a European nuclear reactor should continue.

In addition, the commission called for a new cooperation accord involving Framatome, France's atomic energy commission and the utility Electricite de France.

■ Credit Lyonnais Cost Rises

Finance Minister Jean Arthuis of France said the cost of state funding for a special company created as part of the rescue package for Credit Lyonnais would rise to an estimated 7.6 billion francs in 1997 from 1.2 billion francs in 1996.

Very briefly:

- **Thomson Multimedia**, Europe's second-largest consumer-electronics company, faces an EU antitrust investigation over a government plan to give it $1.9 billion before selling it.
- **Hochtief AG**, Germany's second-largest construction company, wants to cooperate with its bigger rival, **Holzmann AG**, in non-German markets.
- **Germany's M3 money supply** rose at an annual rate of 8 percent in November, slowing from 8.4 percent in October, suggesting that inflation will remain low.
- **Philips NV** will cut 190 of the 540 jobs at its flat panel display unit in Eindhoven, Netherlands, next year as it switches technology to join a world standard.
- **France Telecom** and the Polish telephone company **TPSA** bought **Ameritech Corp.**'s stake in their three-way Polish cellular-phone venture, Centertel, sources close to France Telecom said. Industry sources said Ameritech's price was $51 million for its 24.5 percent stake in Centertel.
- **Clyde Petroleum PLC** rejected an unsolicited takeover proposal valued at £432 million ($721 million) from Gulf Canada Resources Ltd.

Bloomberg, AFP, AP

The Trib Index

Closing prices. Jan. 1, 1992 = 100.

	Level	Change	% change	year to date % change
World Index	145.93	+0.89	+0.61	+10.66
Regional Indexes				
Asia/Pacific	124.51	-0.74	-0.59	-7.26
Europe	155.47	+1.33	+0.86	+11.70
N. America	158.41	+1.63	+1.04	+23.49
S. America	111.43	+1.53	+1.39	+25.15
Industrial Indexes				
Capital goods	169.71	+3.72	+2.24	+27.72
Consumer goods	155.55	+0.25	+0.16	+12.66
Energy	164.58	+1.91	+1.17	+21.35
Finance	116.67	-0.03	-0.03	-8.30
Miscellaneous	155.71	+1.35	+0.87	+14.65
Raw Materials	172.53	+1.00	+0.58	+21.67
Service	132.75	+0.86	+0.65	+10.63
Utilities	138.60	+0.35	+0.25	+9.01

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg Business News

WORLD STOCK MARKETS

Wednesday, Dec. 18
Prices in local currencies.
Telekurs

Amsterdam
EOE Index: 618.43 Previous: 612.94

	High	Low	Close	Prev.
ABN-AMRO	107.80	106.50	107.80	106.30
Aegon	94.60	93.70	94.60	94.10
Ahold	106.30	104.40	105.50	104.40
Akzo Nobel	231	228.80	230.20	229.40
Baan Co.	58.40	57.30	58.20	56.50
Bols Wess cva	31.50	31.10	31.50	31.40
CSM cva	90.20	90.20	90.20	89.40
Dordtsche Pet	308	303.80	307.50	302.30
DSM	169.80	167.20	167.20	169
Elsevier	27.40	27.20	27.50	27.20
Fortis Amev	57.70	56.90	57.30	56.80
Getronics	45.20	44.30	44.80	44.80
G-Brocades cva	51.40	50.80	51.20	51.40
Hagemeyer	136.90	134.50	136.90	135
Heineken	307.20	302.50	303.40	304
Hoogovens cva	71.30	70.60	71.30	70.40
Hunt Douglas	115.30	113	115.10	113
ING Groep	59.20	58.40	58.90	58.10
KLM	47.90	47.10	47.60	47.10
KNP BT	35.90	35.10	35.80	35.30
KPN	64.40	63.20	63.90	63.90
Nedlloyd Gp	45.80	45.20	45.80	45.60
Nutricia	253.40	250.80	253.20	249.30
Oce Grinten	184.20	180	184.20	181.80
Philips Elec	69.10	68.30	69	68
Polygram	80.70	77.20	80	77.20
Randstad Hdg	128.50	127	127.90	128.60
Robeco	138.50	138	138.50	136.60
Rodamco	49.40	49.10	49.40	49.10
Rolinco	143.90	143.60	143.60	142.90
Rorento	105.30	105.10	105.20	104.60
Royal Dutch	292	289.40	291.50	288.40
Unilever cva	288.50	286	288	287.10
Vendex Intl	71.50	70.70	71.40	71
VNU	34.50	33.40	34.40	33.90
Wolters Kl cva	222.50	219	222.50	219

Bangkok
SET Index: 853.82 Previous: 867.23

	High	Low	Close	Prev.
Adv Info Svc	268	254	256	268
Bangkok Bk F	288	288	282	288
Krung Thai Bk	59.50	55.50	56	59.50
PTT Explor	372	366	370	372
Siam Cement F	836	824	836	828
Siam Com Bk F	210	200	202	204
Telecomasia	55	54	54.50	55
Thai Airways	41	40	40.25	40.75
Thai Farm Bk F	194	191	192	191
Utd Comm	186	170	177	187

Bombay
Sensex 30 Index: 3001.24 Previous: 2984.02

	High	Low	Close	Prev.
Bajaj Auto	819	791	797.25	792.50
Hindust Lever	812	795	796.25	796.75
Hindust Petm	334	330	330.75	329
Ind Dev Bk	88	86.50	87	85
ITC	287	279.50	283.50	277.50
Mahanagar Tel	235.50	230	230.75	230.75
Reliance Ind	198.75	193.75	194.25	194.25
State Bk India	224	218	219.50	218.50
Steel Authority	17.25	16.50	17	16.75
Tata Eng Loco	357.50	337.25	340.25	345.25

Brussels
BEL-20 Index: 1861.39 Previous: 1849.83

	High	Low	Close	Prev.
Almanij	10475	10425	10475	10475
Barco Ind	5430	5350	5400	5350
BBL	6540	6400	6540	6410
Bekaert	20000	18075	18150	19825
CBR	2845	2740	2810	2710
CNP	1980	1980	1980	1980
Cobepa	1200	1178	1198	1184
Cockerill	116	114	115	115
Colruyt	14300	14100	14300	14175
Delhaize Lion	1845	1825	1845	1815
Electrabel	7520	7480	7510	7490
Electrafina	3020	2950	3020	2950
Fortis AG	4900	4845	4900	4865
Gevaert	2080	2010	2080	2050
GIB	1426	1406	1420	1404
GBL	4125	4105	4125	4100
Gen Banque	11500	11375	11450	11375
Kredietbank	10000	9820	9900	9960
Petrofina	10275	10125	10275	10075
Powerfin	4730	4700	4710	4700
Royale Belge	6460	6400	6450	6390
Soc Gen Belg	2410	2370	2410	2380
Solvay	19300	19175	19300	19150
Tractebel	14675	14600	14625	14575
UCB	79800	78600	79600	78600
Union Miniere	2185	2155	2165	2155

Copenhagen
Stock Index: 460.95 Previous: 459.69

	High	Low	Close	Prev.
BG Bank	275	269	274	269
Carlsberg B	380.48	376	380	377
Codan Fors	770	765	766	770
Danisco	339.85	333	338	330
Den Danske Bk	456	449	455	448
D/S Svendbrg B	N.T.	N.T.	N.T.	212000
D/S 1912 B	145500	145500	145500	145146
FLS Ind B	745	743.88	743.88	745.74
Kob Lufthavne	611	600	600	610.61
Nvo Nordisk B	1055.60	1037	1044	1040
Sophus Ber B	746	742	745	744
Tele Danmk B	310	291.71	310	293.60
Tryg Baltica	297	291	295	291
Unidanmark A	298	288.71	297	294

Frankfurt
DAX: 2820.75 Previous: 2815.13

	High	Low	Close	Prev.
AMB B	960	960	960	960
Adidas	131.80	130	131	129.20
Allianz Hdg	2783	2760	2760	2790
Altana	1205	1180.50	1181.50	1195
Bk Berlin	27.90	27.55	27.55	27.65
BASF	59.79	58.80	59.65	58.40
Bayer Hypo Bk	45.55	45.05	45.55	45.10
Bay.Vereinsbank	64	63.65	64	63.60
Bayer	61.35	60.88	61.23	59.90
Beiersdorf	77.50	75.80	75.90	75.10
BMW	1025	1019	1021	1019
Commerzbank	39.65	39.30	39.42	38.67
Daimler Benz	100.30	99.85	100.10	99.90
Degussa	665	657	660	660
Deutsche Bank	71.57	71.20	71.35	71.20
Deut Telekom	32.17	31.90	31.96	32.10
Dresdner Bank	44	43.55	43.65	43.90
Fresenius	307	303	307	306
Fresenius Med	135.30	132	134	131.05
Fried. Krupp	253.80	248	252.50	243.50
Gehe	98	96.50	96.95	94.25
Heidelbg Zmt	120.50	119.50	119.50	121
Henkel pfd	73.25	72	73	72.30
Hochtief	60.40	59.90	60.30	60.20
Hoechst	71.40	70.90	71.35	71.59
Karstadt	525	516	519	512
Linde	935	925.50	925.50	930
Lufthansa	21.15	20.65	20.65	20.73
MAN	365.50	355.70	363	357
Mannesmann	636	633.20	633.20	636
Metallgesellschaft	31.88	31.35	31.55	31.05
Metro	123.70	121	121	123.25
Munch Rueck R	3780	3705	3750	3730
Preussag	351.20	346.50	346.50	350.50
RWE	63.90	63.10	63.20	62.90
SAP pfd	209	203.20	204.30	203.60
Schering	128.95	126	128.50	127.30
Siemens	71.78	71.25	71.60	71.35
Thyssen	267.50	266	266.10	270.50
Veba	87.25	86.80	87.20	86.80
VEW	505	490	490	500
Viag	607.50	601.30	601.30	606.50
Volkswagen	616	610.50	616	608.50

Helsinki
HEX General Index: 2414.91 Previous: 2382.35

	High	Low	Close	Prev.
Cultor I	233	230	233	228
Enso A	37	36.50	37	36.20
Huhtamaki I	205	203	205	203
Kemira	58	57.50	58	57.50
Kesko	63	62.20	62.40	62.30
Merita A	14.30	14.10	14.20	14.10
Metra B	259	257	258	257
Metso-Serla B	33.30	32	33	32
Neste	112	108	112	108
Nokia A	258	248.60	255	248
Orion-Yhtymae	158.70	157	158	156
Outokumpu A	75.50	74.60	75	74.70
Rautaruukki	43.20	42.50	42.80	42.50
Sampo Insur	333	330	332	330
UPM-Kymmene	95	92.50	94	94
Valmet	79.50	78.60	79.40	78.60

Hong Kong
Hang Seng: 12766.82 Previous: 12815.37

	High	Low	Close	Prev.
Amoy Props	10.65	10.50	10.55	10.50
Bk East Asia	34	32.90	33	33.60
Cathay Pacific	12.20	11.85	11.85	11.95
Cheung Kong	65.50	64	64.25	64.50
CK Infrastruct	18.20	18.05	18.10	18.05
China Light	33.70	33.20	33.30	33.50
China Oseas Ld	3.13	3.03	3.03	3.05
China Res Ent	14.10	13.55	13.60	13.90
Chin Estates	8.60	8.45	8.50	8.45
Citic Pacific	41.20	40	40.10	40.50
Cons Elec Pwr	18.10	18.10	18.10	18.10
Cosco Pacific	7.95	7.75	7.90	7.95
Dao Heng Bk	36	35.40	35.50	36
First Pacific	9.60	9.50	9.55	9.45
Great Eagle	30.90	30.40	30.50	30.60
Guangdong Inv	6.15	5.95	6.05	5.95
Guoco Group	42.70	42.20	42.40	42.70
Hang Lung Dev	16.50	16.20	16.20	16.50
Hang Seng Bk	90.75	89.50	89.50	89.50
Henderson Inv	9.15	8.85	8.90	9.05
Henderson Ld	73.25	71	72	72.50
HKR Intl	12.10	11.80	11.90	11.80
HK China Gas	15.05	14.85	14.85	15
HK Electric	25.95	25.20	25.20	25.75
HK Shang Htls	13.95	13.75	13.90	13.90
HK Telecomm	13.05	12.85	12.90	12.90
Hopewell Hdgs	5	4.90	4.93	4.95
HSBC Hdgs	157	155	155	155
Hutchison Wh	57.50	56.50	56.75	56.25
Hysan Dev	28.50	27.55	27.60	28.45
Johnson El Hdg	21.45	21.40	21.45	21.45
Kerry Props	21.70	21.40	21.70	21.20
Natl Mutual	7.45	7.30	7.35	7.40
New World Dev	47.80	47.20	47.20	47.60
N World Infrastr	22.30	21.60	21.60	21.55
Oriental Press	3.95	3.88	3.88	3.88
Pearl Oriental	4.63	4.58	4.60	4.58
Shanghai Indus	24.65	24.10	24.10	24.25
Shangri-La Asia	11.75	11.50	11.55	11.40
SHK Props	91.75	90.75	90.75	91
Shun Tak Hdgs	5.25	5.15	5.15	5.20
Sino Land Co.	9.50	9.35	9.40	9.45
Sth China Post	6.75	6.50	6.55	6.50
Swire Pac A	72.50	71.50	71.75	72.25
Tsim Sha Tsui	14.60	14.45	14.55	14.50
TV Broadcasts	29.50	29.10	29.25	28.90
Wharf Hdgs	37.90	36.60	36.60	37.70
Wheelock	21.30	20.70	20.75	21.10

Jakarta
Composite Index: 629.45 Previous: 622.80

	High	Low	Close	Prev.
Astra Intl	5300	5125	5275	5150
Bk Intl Indon	2225	2175	2200	2175
Bk Negara	1300	1275	1300	1300
Gudang Garm	10500	10100	10100	10200
Indocement	3625	3600	3625	3600
Indofood	4500	4400	4400	4500
Indosat	6625	6450	6600	6350
Sampoerna HM	12600	12275	12350	12175
Semen Gresik	7650	7550	7625	7525
Telekomunikasi	4075	3975	4075	3950

Johannesburg
All Market: 6414.92 Previous: 6384.02

	High	Low	Close	Prev.
Amalgamatd Bks	23.65	22	23.25	22.25
AngloAm Coal	327.50	314	321	314
AngloAm Corp	248.50	243	244	245
AngloAm Gold	361	357	358	358.25
AngloAm Ind	167	165.75	166	166
Barlow	40.50	39.75	40.50	40
C.G. Smith	22.50	21.50	21.75	21.50
De Beers	134	129.25	129.50	132.50
Driefontein	49.25	48.25	48.25	48.75
Fst Natl Bk	20.50	19.90	20.30	19.90
Gencor	16.30	16.05	16.25	16.10
GFSA	128	126	127	125
Iscor	3.34	3.30	3.31	3.31
Liberty Hdgs	309.50	308	308	309.50
Liberty Life	113	111	112	112.50
Minorco	93	91.50	92.50	91
Nampak	17.25	16.60	17	16.60
Nedcor	61	59	61	59.50
Rembrandt Gp	40.75	38.55	40.50	39.50
Richemont	65.75	64.50	64.75	65
Rust Platinum	66	64.75	66	65
SA Breweries	110	107.50	110	108.75
Samancor	52.75	52.50	52.75	52.50
Sasol	55	52	53.75	53
SBIC	166	164	165	166
Tiger Oats	64	63.50	63.50	64

Kuala Lumpur
Composite: 1191.89 Previous: 1193.83

	High	Low	Close	Prev.
Genting	17.50	17.20	17.40	17.20
Mal Banking	26.25	25.75	26.25	26.25
Mal Intl Ship F	7.60	7.55	7.60	7.60
Petronas Gas	10	9.95	10	10
Renong	4.42	4.36	4.38	4.38
Resorts World	11.80	11.50	11.60	11.60
Sime Darby	9.85	9.65	9.70	9.70
Telekom Mal	21.80	21.80	21.80	21.90
Tenaga	11.80	11.60	11.60	11.70
Utd Engineers	21.70	21.40	21.40	21.50

London
FT-SE 100: 4018.20 Previous: 3979.60

	High	Low	Close	Prev.
Abbey Natl	7.38	7.20	7.31	7.22
Allied Domecq	4.43	4.18	4.25	4.18
Anglian Water	5.65	5.52	5.62	5.59
Argos	7.55	7.45	7.55	7.50
Asda Group	1.25	1.24	1.25	1.24
Assoc Br Foods	4.68	4.66	4.66	4.68
BAA	4.83	4.75	4.79	4.80
Barclays	10.16	9.98	10.14	9.98
Bass	8.09	8.02	8.07	8.05
BAT Ind	4.72	4.63	4.67	4.69
Bank Scotland	3.01	2.96	2.99	2.95
Blue Circle	3.63	3.58	3.60	3.59
BOC Group	8.79	8.68	8.71	8.76
Boots	6.05	5.94	6.05	5.96
BPB Ind	3.59	3.52	3.57	3.53
Brit Aerosp	11.65	11.45	11.65	11.58
Brit Airways	6.04	5.93	5.99	5.94
Brit Gas	2.25	2.20	2.22	2.24
Brit Land	4.98	4.89	4.98	4.89
Brit Petm	6.76	6.64	6.74	6.66
BSkyB	5.38	5.22	5.23	5.19
Brit Steel	1.66	1.63	1.65	1.66
Brit Telecom	4	3.60	3.94	3.93
BTR	2.67	2.54	2.66	2.57
Burmah Castrol	10.62	10.39	10.58	10.43
Burton Gp	1.51	1.49	1.51	1.52
Cable Wireless	4.75	4.61	4.75	4.63
Cadbury Schw	4.87	4.82	4.84	4.86
Carlton Comm	5.05	4.97	5.03	5.06
Coml Union	6.99	6.80	6.82	6.94
Compass Gp	6.15	6.10	6.12	6.11
Courtaulds	3.92	3.78	3.81	3.83
Dixons	5.39	5.32	5.37	5.34
Electrocomponents	4.56	4.52	4.54	4.54
EMI Group	13.30	13.04	13.25	13.06
Enterprise Oil	5.97	5.78	5.94	5.78
Forn Colonial	1.48	1.47	1.48	1.48
Genl Accident	7.36	7.20	7.34	7.15
GEC	3.74	3.67	3.72	3.67
GKN	10.48	10.41	10.47	10.47
Glaxo Wellcome	9.43	9.28	9.40	9.38
Granada Gp	8.77	8.63	8.70	8.64
Grand Met	4.46	4.38	4.44	4.40
GRE	2.71	2.67	2.68	2.70
Greenalls Gp	5.87	5.80	5.86	5.86
Guinness	4.45	4.39	4.42	4.39
GUS	6.35	6.30	6.31	6.33
Hanson	0.89	0.80	0.80	0.83
Hays	5.45	5.40	5.45	5.43
HSBC Hldgs	12.17	12.03	12.08	12.03
ICI	7.70	7.50	7.50	7.67
Impl Tobacco	3.89	3.80	3.85	3.81
Kingfisher	6.15	6.08	6.12	6.12
Ladbroke	2.25	2.17	2.22	2.16
Land Sec	7.40	7.18	7.28	7.19
Lasmo	2.28	2.23	2.24	2.21
Legal Genl Grp	3.58	3.52	3.54	3.52
Lloyds Abbey	6.60	6.59	6.59	6.58
Lloyds TSB Gp	4.26	3.81	4.26	4.17
LucasVarity	2.24	2.13	2.20	2.21
Marks Spencer	4.88	4.82	4.86	4.84
MEPC	4.31	4.27	4.29	4.29
Mercury Asset	12.42	12.17	12.27	12.24
National Grid	1.88	1.81	1.83	1.83
Natl Power	4.69	4	4.66	4.60
NatWest	6.78	6.68	6.75	6.67
Next	5.54	5.49	5.52	5.52
Orange	1.87	1.83	1.85	1.83
P&O	5.85	5.77	5.81	5.76
Pearson	7.20	6.92	7.13	6.91
Pilkington	1.51	1.44	1.49	1.45
PowerGen	5.77	5.50	5.68	5.74
Premier Farnell	6.88	6.85	6.85	6.86
Prudential	4.88	4.75	4.77	4.75
Railtrack PP	3.97	3.65	3.70	3.68
Rank Group	4.45	4.29	4.40	4.32
Reckitt Colm	7	6.86	6.97	6.85
Redland	3.67	3.57	3.57	3.59
Reed Intl	10.48	10.38	10.41	10.34
Rentokil Initial	4.39	4.34	4.36	4.39
Reuters Hdgs	7.15	7.03	7.12	7.02
Rexam	3.49	3.35	3.37	3.37
RMC Group	9.64	9.49	9.50	9.54
Rolls Royce	2.43	2.38	2.40	2.40
Royal Bk Scot	5.46	5.29	5.31	5.35
RTZ reg	9.39	9.20	9.34	9.22
Royal & Sun All	4.43	4.33	4.41	4.36
Safeway	3.98	3.98	3.96	3.92
Sainsbury	3.98	3.60	3.66	3.61
Schroders	15	14.90	14.95	14.96
Scot Newcastle	6.65	6.57	6.62	6.57
Scot Power	3.37	3.32	3.36	3.33
Securicor	2.70	2.56	2.70	2.56
Severn Trent	6.75	6.65	6.71	6.69
Shell Transp R	9.80	9.72	9.78	9.72
Siebe	10.12	9.90	10.06	9.91
Smith Nephew	1.77	1.76	1.76	1.76
SmithKline	8.05	7.94	8.05	7.96
Smiths Ind	7.50	7.43	7.46	7.50
Sthern Elec	7.89	7.65	7.65	7.70
Stagecoach	7.07	6.93	6.94	7.10
Stand Charter	7.04	6.89	7.02	6.88
Tate & Lyle	4.65	4.58	4.63	4.58
Tesco	3.54	3.50	3.52	3.51
Thames Water	5.98	5.83	5.87	5.81
3i Group	4.83	4.75	4.83	4.78
TI Group	5.47	5.40	5.42	5.43
Tomkins	2.53	2.47	2.51	2.49
Unilever	13.55	13.45	13.52	13.52
Utd Assurance	4.68	4.58	4.61	4.68
Utd News	6.62	6.52	6.60	6.54
Utd Utilities	5.95	5.83	5.85	5.87
Vendome Lx uts	5.36	5.31	5.35	5.30
Vodafone	2.43	2.37	2.41	2.37
Whitbread	7.78	7.75	7.76	7.73
Williams Hdgs	3.45	3.40	3.41	3.43
Wolseley	4.36	4.24	4.33	4.24
WPP Group	2.28	2.23	2.28	2.24
Zeneca	16.10	15.75	16.10	15.73

Madrid
Bolsa Index: 415.93 Previous: 409.56

	High	Low	Close	Prev.
Acerinox	17450	17260	17330	17260
ACESA	1710	1685	1690	1680
Aguas Barcelon	4995	4930	4990	4950
Argentaria	5700	5530	5660	5550
BBV	6690	6530	6640	6480
Banesto	994	961	981	947
Bankinter	18800	18300	18750	18370
Bco Centro Hisp	3175	3105	3155	3095
Bco Exterior	2755	2750	2750	2765
Bco Popular	24450	24100	24360	24030
Bco Santander	7200	7090	7140	7070
CEPSA	3895	3850	3870	3840
Continente	2350	2260	2340	2265
Corp Mapfre	6820	6740	6810	6750
Endesa	8840	8690	8810	8660
FECSA	1130	1110	1120	1105
Gas Natural	27990	27600	27890	27680
Iberdrola	1670	1645	1665	1630
Pryca	2620	2510	2595	2510
Repsol	4790	4700	4760	4670
Sevillana Elec	1235	1210	1235	1205
Tabacalera	5580	5440	5510	5400
Telefonica	2985	2960	2970	2935
Union Fenosa	1075	1060	1070	1055
Valenc Cement	1410	1380	1405	1415

Manila
PSE Index: 3105.80 Previous: 3093.23

	High	Low	Close	Prev.
Ayala B	27	26.50	26.50	27
Ayala Land	29.50	29	29	29
Bk Philip Isl	159	156	157	159
C&P Homes	13.75	13.25	13.25	13.50
Manila Elec A	115	113	114	114
Metro Bank	610	595	610	600
Petron	9.10	8.80	8.90	8.60
PCI Bank	340	335	335	340
Phil Long Dist	1525	1530	1535	1540
San Miguel B	114	111	112	112
SM Prime Hdg	6.40	6.30	6.30	6.40

Mexico
Bolsa Index: 3273.16 Previous: 3253.37

	High	Low	Close	Prev.
Alfa A	36.10	35.60	35.70	35.90
Cemex B	30.75	30.00	30.35	29.65
Cifra C	10.00	9.86	9.94	9.76
Empresas ICA	114.80	113.30	112.30	112.60
Emp Moderna	37.70	37.30	37.70	37.30
Femsa	26.80	26.40	26.55	26.35
Gpo Carso A1	41.10	40.35	40.60	40.35
Televisa CPO	101.00	99.00	99.00	100.50
TelMex L	12.56	12.40	12.44	12.38
Tribasa	20.85	20.30	20.60	21.15

Milan
MIB Telematico: 10406.00 Previous: 10293.00

	High	Low	Close	Prev.
Alleanza Assic	11200	11030	11130	10880
Bca Comm Ital	2780	2745	2750	2725
Bca Naz Agricol	999	990	990	985
Bca Naz Lavoro	12000	11750	11750	12060
Bca di Roma	1290	1250	1255	1249
Bco Ambrosiano	3810	3750	3750	3805
Benetton	18500	18020	18300	18000
Credito Italiano	1675	1650	1651	1654
ENI	7910	7815	7875	7790
Fiat	4365	4280	4295	4310
Fondiaria	5470	5350	5390	5350
Generali Assic	29550	29300	29400	29350
IFIL	4345	4270	4285	4290
Italcementi	8230	8100	8225	8155
Italgas	6390	6300	6330	6315
Mediobanca	8390	8280	8295	8275
Montedison	1028	1014	1017	1014
Olivetti	532	517	521	523
Pirelli	2775	2740	2740	2740
RAS	14690	14385	14430	14500
Rinascente	8745	8500	8745	8700
S Paolo Torino	9790	9555	9730	9700
Stet	15800	15790	15800	16000
Sip	6650	6445	6635	6450
Telecom Italia	3755	3615	3735	3605
Toro Assic	19780	19150	19700	19505

Montreal
Industrials Index: 2655.47 Previous: 2631.52

	High	Low	Close	Prev.
Alco I	22¼	21.85	22	22¼
Bank Montreal	40¾	40.30	40.65	40.35
Bce Mob Com	40.70	40½	40.70	40½
Cdn Tire A	21.10	20.60	21.10	20¾
Cdn Util A	30.70	30½	30.65	30.30
Cascades	7.80	7.65	7.65	7.80
CT Finl Svc	32¼	32¼	32½	32¼
Extendicare	16.35	16¼	16.35	15.90
Gaz Metro	17¼	17.15	17¼	17¼
Gt-West Lifeco	42½	42	42½	41½
Hees Intl Bcp	20.05	19.70	19.90	20
Hudson's Bay	22.45	22.35	22.35	22.40
Imasco	32	30¾	31.05	31.80
Investors Grp	25.40	25.40	25.40	25.40
Loblaw Cos	13.95	13½	13.95	13½
Maison A	21	20.70	21	20.60
Natl Bk Canada	13.45	13.30	13.40	13.40
Oshawa A	19.85	19¾	19¾	19.80
Pancda Petlm	52.80	52¼	52.80	52½
Power Corp	27	26.35	26.70	26.60
Power Finl	47¾	47½	47¾	47.70
Quebecor B	23.15	23	23	23.10
Rogers Comm B	9.15	9.15	9.15	9.40
Royal Bk Cda	46.10	45.55	45¾	45.65
Sears Canada	10.10	10	10	10
Shell Cda A	51.90	51¼	51¼	50.30
Southam	19.45	19.30	19.45	19¼
Stelco A	8¼	8.15	8.20	8.10
Trilon Finl A	6.65	6.60	6.65	6.40

Oslo
OBX Index: 505.94 Previous: 503.69

	High	Low	Close	Prev.
Aker A	136	132.50	132.50	133
Bergesen Dy B	147	144.50	144.50	145
Christiania Bk	19.20	19.10	19.20	19
Den norske Bk	23.30	23	23	23.10
SAS Norge ASA	64.50	64	64.50	63
Dyno Indust	157	155	155	154
Elkem	101	99.50	100	99
Hafslund A	47	46.60	46.80	46.80
Kvaerner	287.50	284	285.50	286
Leif Hoegh	122	118	121	117
Norsk Hydro	325	321.50	323	323.50
Norske Skog A	204	200	200	200
Orkla	430	425	427	427
Rieber B	177	175	175	178.50
Saga Petm B	95.50	93.50	95	94.50
Schibsted	115	112	112	114
Storebrand	37.20	36.70	36.70	36.80

Paris
CAC-40: 2218.89 Previous: 2193.70

	High	Low	Close	Prev.
Accor	629	619	623	625
AGF	163.70	161.30	163	162
Air Liquide	805	790	794	792
Alcatel Alsth	421.90	416	421.40	417
Axa	309.70	306	309.50	304.80
Bancaire	580	572	573	565
BNP	202.50	200.50	201	200.50
Bouygues	538	528	532	532
Canal Plus	1154	1125	1132	1150
Carrefour	3147	3115	3120	3097
CCF	238.50	233.20	233.20	232.50
Credit Local cl	439	433.10	439	434
Credit Lyon PC	121.90	120.30	120.30	122
Crown Cork Seal	269.50	263	269.50	264
Danone	725	718	720	721
Elf-Aquitaine	435.60	433.30	435.80	431
Eridania BS	835	822	829	822
Euro Disney	10.20	10	10.05	10.10
Eurotunnel uts	7	6.85	6.95	6.90
Gen. Eaux	631	622	631	620
Havas	360.30	353.10	360.30	351
Lafarge Cop	305.40	301.10	302.60	303.90
Legrand	903	885	894	885
L'Oreal	1835	1806	1827	1800
LVMH	1348	1277	1347	1243
Lyon. Eaux	485	475	476	484
Michelin B	272	266.20	271.90	265.30
Navig Mixte	750	750	750	753
Paribas A	342	335	338.40	339
Pechiney SA	200.70	197.50	200.70	202
Pernod Ricard	275.70	269.20	271.20	269
Peugeot Cit	576	560	564	573
Pinault-Print	2036	2010	2024	2001
Promodes	1389	1362	1380	1372
Renault	110.70	108.30	110.50	109.70
Rh-Poulenc A	166.50	163.30	166	165.50
Roussel-Uclaf	N.T.	N.T.	N.T.	1439
Sanofi	468.90	465	465	466.90
Schneider	237.30	235.50	237.30	256
Ste Generale	534	530	533	530
St Gobain	731	723	724	725
St Louis	1232	1212	1217	1225
Suez	213.90	212	212.30	211
Thomson CSF	169	166.10	167.70	167
Total B	404.70	401	403.10	397
UAP	139	137.30	138.50	136.90
Valeo	324	317.20	320.50	325

São Paulo
Bovespa Index: 69850.80 Previous: 67845.80

	High	Low	Close	Prev.
Bco Brasil Pfd	9.29	8.6	9.15	8.85
Banespa Pfd	5.510	5.00	5.450	5.00
Bradesco Pfd	7.60	7.30	7.48	7.49
Brahma Pfd	580.00	550.00	567.00	575.00
Cemig Pfd	34.00	32.70	33.20	32.70
CESP Pfd	40.70	36.00	40.70	36.00
Eletrobras B	372.00	363.00	368.00	363.50
Itaubanco Pfd	460.00	404.00	440.00	404.00
Light	342.00	320.00	342.00	321.00
Paranapan Pfd	11.00	10.20	11.00	10.80
Petrobras Pfd	160.00	155.50	157.50	155.50
Sid Nacional	29.20	27.990	28.740	29.00
Souza Cruz	6.34	6.06	6.34	6.05
Telebras Pfd	80.00	74.50	79.20	78.20
Telesp Pfd	220.00	209.00	220.00	207.99
Usiminas Pfd	1.07	1.04	1.05	1.05
CVRD Pfd	20.21	19.70	20.00	19.90

Seoul
Composite Index: 661.39 Previous: 663.35

	High	Low	Close	Prev.
Daewoo Heavy	5280	5010	5140	5090
Hyundai Eng	17700	16900	17500	17100
Hyundai Motor	19900	19300	19800	19200
Korea El Pwr	25200	24800	25000	25000
Korea Mob Tel	420000	408000	410500	410000
LG Electronics	10500	10100	10400	10100
Pohang Iron St	38500	35400	37200	35700
Samsung Elec	47500	44800	46000	45200
Samsung Hvy	9000	8700	8800	8700
Yukong	16100	15500	15900	15500

Singapore
Straits Times: 2195.78 Previous: 2176.52

	High	Low	Close	Prev.
Cerebos Pac	10.50	10.10	10.50	10.10
City Devlts	12.50	12.30	12.40	12.60
Cycle Carriage	16.70	16.40	16.70	16.40
Dairy Farm Intl *	0.81	0.80	0.80	0.81
DBS	8.95	8.90	8.90	8.90
DBS Land	5.05	4.98	5	5.05
Fraser & Neave	14.30	14	14.30	14.10
HK Land *	2.90	2.76	2.77	2.87
Hong Leong Fin	Susp.	Susp.	Susp.	3.28
Jard Matheson *	6.50	6.30	6.40	6.45
Jard Strategic *	3.74	3.72	3.72	3.74
Keppel	11.30	11.10	11.30	11.10
Natsteel	3.02	2.99	3.02	3
Neptune Orient	1.20	1.17	1.20	1.16
OCBC foreign	17.30	17.20	17.30	17.20
O'Sea Union Bk	6.25	6.25	6.25	6.25
Sembawang	7.60	7.50	7.55	7.55
Sing Airlines F	12.90	12.60	12.70	12.80
Sing Petm	1.74	1.73	1.73	1.73
Sing Press F	26.50	25.90	26	25.70
ST Auto F	3.06	3.04	3.06	3.04
ST Ship	N.T.	N.T.	N.T.	1.88
Sing Telecomm	3.28	3.20	3.22	3.30
Straits Steam	4.56	4.44	4.46	4.54
Utd Industrial	1.19	1.17	1.19	1.16
Utd O'Sea Bk F	15.50	15.20	15.50	15.20
Wing Tai Hdgs	3.96	3.90	3.92	3.92

*: in U.S. dollars

Stockholm
SX 16 Index: 2441.15 Previous: 2393.43

	High	Low	Close	Prev.
AGA BF	103.50	102	103	103
ABB AF	775	757	771	759
AssiDoman F	189	184	188.50	184.50
Astra AF	325	317	322	321
Atlas Copco AF	156.50	151.50	156.50	149.50
Avesta F	72	71	71.50	70.50
Electrolux BF	400	395	396	397
Ericsson BF	207	198	206	196.50
Hennes BF	936	927	930	927
Incentive AF	458	451	458	451
Investor BF	280	273	279.50	273.50
Kinnevik BF	190	186	187	185.50
MoDo BF	189.50	186	188.50	188.50
Pharm/Upjohn	264.50	260	260.50	255
Sandvik BF	171.50	167	172	166
SCA BF	140	137.50	138	138
S-E Banken AF	64	63	63.50	63
Skandia Fors F	190	185	185.50	192
Skanska BF	295	289	292.50	287
SKF BF	153.50	148	153.50	149
SSAB BF	109	108.50	108.50	108
Stora AF	91	88.50	90	88.50
Sv Handles AF	198.50	191	198.50	190
Sydkraft AF	150	150	150	147
Trelleborg BF	88.50	86	88	85.50
Volvo BF	147.50	146	147	146.50

Sydney
All Ordinaries: 2223.70 Previous: 2215.80

	High	Low	Close	Prev.
Amcor	7.80	7.75	7.75	7.75
ANZ Bkg	7.62	7.54	7.56	7.55
BHP	17.07	16.93	16.93	16.94
Boral	3.38	3.34	3.34	3.35
Brambles Ind.	22.30	22.21	22.35	22.18
Burns Philp	2.27	2.25	2.25	2.25
CBA	11.89	11.82	11.82	11.86
CC Amatil	12.90	12.45	12.65	12.90
Coles Myer	4.90	4.85	4.86	4.87
Comalco	6.30	6.13	6.30	6.08
CRA Ltd	19	18.74	18.80	18.95
CSR	4.17	4.12	4.13	4.11
Fosters Brew	2.36	2.31	2.36	2.29
GIO Australia	3.24	3.17	3.22	3.18
Goodman Fld	1.56	1.54	1.55	1.54
ICI Australia	12.55	12.30	12.35	12.45
John Fairfax	2.83	2.78	2.78	2.77
Lend Lease	23.30	22.65	23.20	22.65
Mayne Nickless	8.35	8.27	8.15	8.26
MIM Hdgs	1.67	1.65	1.68	1.67
Nat Aust Bank	14.33	14.20	14.20	14.20
News Corp	6.53	6.46	6.46	6.43
Norm Ltd	3.50	3.43	3.43	3.49
Pacific Dunlop	3.06	2.98	3.04	2.96
Pioneer Intl	3.70	3.63	3.70	3.63
Placer Pacific	1.87	1.86	1.86	1.85
Santos	4.66	4.49	4.50	4.60
Southcorp	3.95	3.90	3.90	3.88
Wesfarmers	8.34	8.26	8.30	8.30
Wstrn Mining	7.51	7.48	7.53	7.47
Westfield Trt	2.37	2.36	2.37	2.37
Westpac Bkng	7.10	7.02	7.05	7.04
Woodside Pet	8.55	8.48	8.55	8.44
Woolworths	2.98	2.96	2.97	2.96

Taipei
Stock Market Index: 6896.52 Previous: 6855.57

	High	Low	Close	Prev.
Asia Cement	50.50	50	50.50	50
Cathay Life Ins	174	173	173	173
Chang Hwa Bk	154	152	154	153
China Steel	25.80	25.60	25.60	25.60
China Trust	54	53	54	54
Evergreen	55	54.50	54.50	55
Far East Text	29	28.20	28.90	28.20
First Bank	165	163	164	163
Formosa CF	43.50	43	43.10	42.90
Hua Nan Bk	126	125	126	125
Hualon Teijran	25.60	25.30	25.50	25
ICBC	85	84	85	84.50
President Ent	43.50	43.20	43.40	43.10
Taiwan Cemt	61	60	60.50	60.50
Tatung	54.50	54	54	54

Tokyo
Nikkei 225: 20873.83 Previous: 20413.46

	High	Low	Close	Prev.
Ajinomoto	1260	1250	1250	1250
All Nippon Air	915	901	901	913
Asahi Bank	1020	1010	1010	1020
Asahi Chem	712	700	704	713
Asahi Glass	1130	1100	1110	1120
Bk Tokyo Mitsu	2190	2150	2150	2120
Bk Yokohama	778	765	765	775
Bridgestone	2110	2090	2090	2090
Canon	2440	2360	2360	2430
Chiba Bank	832	826	830	823
Chubu Elec	2310	2290	2290	2310
Chugoku Elec	2300	2270	2280	2280
Daiei	927	903	905	920
Daiichi Kang	1770	1740	1740	1770
Daiwa Bank	646	615	616	637
Daiwa House	1490	1480	1480	1470
Daiwa Sec	1170	1150	1150	1160
Denso	2700	2630	2640	2720
Fanuc	3550	3510	3510	3560
Fuji Bank	1800	1780	1790	1810
Fuji Photo	3710	3610	3610	3740
Fujitsu	1080	1050	1050	1080
Hitachi	1070	1060	1070	1070
Honda Motor	3340	3250	3250	3270
IBJ	2130	2080	2080	2140
IHI	515	510	512	515
Itochu	674	664	665	665
Ito-Yokado	5410	5340	5340	5420
JAL	640	632	639	635
Jusco	3890	3870	3890	3890
Kajima	860	842	842	854
Kansai Elec	2370	2350	2350	2350
Kao	1340	1300	1310	1340
Kawa Steel	340	335	335	337
KDD	7970	7900	7900	7880
Kinki Nipp Ry	742	733	737	743
Kirin Brewery	1180	1160	1160	1170
Kobe Steel	255	250	250	255
Komatsu	968	931	931	965
Kubota	600	580	581	605
Kyocera	7260	7200	7200	7240
Kyushu Elec	2350	2320	2340	2330
LTCB	675	660	660	670
Marubeni	506	500	501	507
Marui	2130	2080	2100	2100
Matsu Elec Ind	1900	1860	1860	1910
Matsu Elec Wk	1040	1020	1020	1040
Mitsubishi	1230	1190	1190	1210
Mitsubishi Ch	402	392	393	401
Mitsubishi El	684	672	672	681
Mitsubishi Est	1390	1330	1330	1380
Mitsubishi Hvy	943	920	924	937
Mitsubishi Mat	864	857	857	859
Mitsubishi Tr	1730	1680	1680	1700
Mitsui	949	939	939	939
Mitsui Fudosn	1280	1240	1240	1270
Mitsui Trust	968	911	923	960
Murata Mfg	4000	3980	3980	3980
NEC	1370	1340	1350	1370
Nikko Sec	978	955	955	969
Nintendo	8300	8200	8200	8300
Nipp Credit Bk	307	304	306	307
Nipp Express	805	782	783	804
Nippon Oil	598	590	593	592
Nippon Paper	605	596	596	605
Nippon Steel	346	340	340	345
Nippon Yusen	529	525	527	527
Nissan Motor	790	766	766	786
NKK	276	269	269	277
Nomura Sec	1870	1820	1820	1870
NTT	9080a	8860a	8900a	9050a
Obayashi	814	771	771	802
Odakyu El Ry	700	694	694	700
Ono Pharm	3440	3390	3410	3420
Osaka Gas	328	321	324	331
Ricoh	1270	1260	1270	1270
Sakura Bk	984	965	965	977
Sankyo	3160	3120	3130	3180
Sanwa Bank	1730	1700	1710	1680
Sanyo Elec	513	505	506	520
Secom	7040	7000	7010	6970
Seibu Rwy	5040	4960	4960	4990
Sekisui House	1180	1160	1170	1190
Seven-Eleven	6880	6770	6780	6820
Sharp	1710	1660	1670	1700
Shimizu	903	875	875	905
Shin-etsu Ch	2130	2100	2120	2140
Shizuoka Bk	1230	1210	1210	1230
Sony	7430	7340	7340	7460
Sumitomo	970	952	952	969
Sumitomo Bk	1860	1820	1830	1840
Sumit Chem	466	455	455	463
Sumitomo Elec	1610	1590	1590	1600
Sumit Metal	308	302	302	307
Sumit Trust	1200	1170	1200	1170
Taisei	620	594	594	611
Taisho Pharm	2560	2530	2540	2550
Takeda Chem	2340	2300	2300	2340
TDK	7270	7200	7220	7270
Tohoku El Pwr	2360	2340	2340	2340
Tokai Bank	1260	1250	1250	1260
Tokio Marine	1070	1030	1030	1070
Tokyo El Pwr	2550	2530	2540	2550
Tokyo Gas	314	310	310	310
Tokyu	709	700	700	711
Tonen	1490	1470	1470	1490
Toppan Print	1490	1460	1460	1480
Toray Ind	714	701	701	716
Toshiba	750	731	731	744
Toyo Seikan	3500	3440	3440	3510
Toyo Trust	969	958	965	962
Toyota Motor	3180	3110	3110	3160
Yamaichi Sec	551	532	532	551
Yamanouchi	2380	2350	2350	2370
Yasuda Fire	628	593	593	620
Yasuda Trust	503	499	502	498

a: x 100

Toronto
TSE Industrials: 5727.64 Previous: 5710.30

	High	Low	Close	Prev.
Abitibi Price	20.20	20.10	20.15	20.15
Air Canada	6	5.85	5.90	5.90
Alberta Energy	30¼	30.20	30¼	30.45
Alcan Alum	45.05	44.40	45.05	45
Avenor A	19.40	18.40	19.40	21.20
Bk Nova Scotia	42.90	42.20	42.60	42.35
Barrick Gold	40.90	40.45	40.60	40¾
BCE	63.65	62.40	63.65	62¼
BC Telecomm	28.95	28.40	28½	28.45
Bombardier B	23.15	22.90	22.90	22.90
Brascan A	29¾	29½	29¾	29¾
Cameco	53½	52¾	52.65	53.40
CIBC	56.10	55.65	55.80	55.55
Cdn Airlines	2.10	1¾	2	1¾
Cdn Natl Res	37.80	36.30	37.80	37¼
Cdn Occid Pet	22½	21.90	22.40	21.85
Cdn Pacific	34.55	34	34.35	33.55
Cominco	31.60	31	31.20	31.60
Dofasco	24.90	23.85	24.40	24.35
Doman Ind B	8.80	8.80	8.80	8.80
Du Pont Cda A	32½	32½	32½	31.60
Echo Bay Min	9.55	9.30	9.40	9¼
Empire Co. A	13½	13.05	13½	13¼
Falconbridge	29½	28¾	29.05	29.35
Fletcher Chal A	22	21.60	21.85	21.60
Franco Nevada	54½	53¾	53¾	53.90
Guardian Cap A	N.T.	N.T.	N.T.	12
Imperial Oil	59.40	58.80	59.30	59.10
Inco	42.80	42.20	42½	42.65
IPL Energy	38.55	38.30	38.45	38½
Laidlaw A	16¼	15.90	16¼	16.20
Laidlaw B	15.90	15.40	15½	15.80
Loewen Group	53	51¾	52	52
Ldn Insur Gp	17.95	17.70	17.85	17¾
Macmill Bld	17.30	17.10	17.10	17.10
Magna Intl A	75.30	74.30	74.80	74.30
Maple Leaf Fds	9	8.90	8.90	9
Moore	27.40	26½	27.10	26.40
Newbridge Net	41.65	40.20	40.40	40.85
Noranda Inc	29½	29.15	29.35	29.20
Noranda Forest	9¼	9.10	9¼	9.10
Norcen Energy	29	28.85	28.85	29.05
Nthern Telecom	82	80¼	81¾	80½
Nova	12.05	11.90	12	11.95
Onex	19.45	19.30	19.40	19.45
Placer Dome	30.80	30.55	30.65	30¾
Potash Sask	112.35	110.30	111½	111.90
Provigo	5.55	5.45	5½	5½
Quebecor Print	23.35	23	23.35	23
Renaissance	46.15	45¼	46.15	46
Rio Algom	30.80	30.30	30.80	30.30
Seagram Co	53.30	52.35	52.55	52.70
Stone Consold	19.60	19	19.60	19.15
Talisman Eny	45¼	44.40	45	44.60
Teleglobe	36.85	36.55	36¾	36½
Telus	20.35	20.10	20.15	20.40
Thomson	27.45	26¾	26.85	26¾
TorDom Bank	33.90	33¼	33.60	33.65
Transalta	16¼	15.90	16	16.20
TransCda Pipe	23.30	23	23¼	23.15
Trizec Hahn	28¾	28½	28.70	28½
Utd Dominion	32¾	32.10	32.15	32
Westburn	12.45	12.40	12.40	12.40
Westcoast Eny	22.90	22.65	22.65	22.70
Weston	65½	64½	65½	65

Vienna
ATX Index: 1125.76 Previous: 1126.12

	High	Low	Close	Prev.
Aust Airlines	1580	1580	1500	1500
Brau-Un Goess	655	645	653	650
Bund Vers Pfd	392	392	490	490
Creditanst Pfd	505.40	493.40	494.90	502.50
EA-Generali	3249	3170	3188	3190
EVN	1550	1538	1540	1541
Interunfall	1481	1481	1475	1475
Lenzing	684	676	684	683
Leykam	279	275	278.40	279
Mayr-Melnhof	532	528	532	532
OMV	1218	1210	1216.50	1213.50
Oest Brau	745	733	734	745
Oest Elektriz	815	804	806.90	807.05
VA Tech	1700	1685	1690	1694
Wienerberger	2074	2052	2069	2065

Wellington
NZSE-40 Index: 2351.22 Previous: 2353.71

	High	Low	Close	Prev.
Air N Zealand B	2.70	2.69	2.70	2.68
Brierly Invt	1.29	1.28	1.28	1.28
Carter Holt ord	3.37	3.31	3.33	3.36
Fernz	5.00	4.96	4.96	5.03
Fisher Paykel	5.65	5.60	5.60	5.60
FC Forest	2.33	2.32	2.33	2.33
Goodman Fder	1.73	1.73	1.73	1.75
Indep News	7.00	7.00	7.00	7.00
Lion Nathan	3.38	3.37	3.37	3.37
Nat Gas note	2.13	2.10	2.13	2.10
NZ Refining	28.50	28.50	28.50	28.40
Telecom NZ	7.35	7.30	7.30	7.30
Wilson Horton	11.45	11.40	11.45	11.40

Zurich
SPI Index: 2471.62 Previous: 2459.89

	High	Low	Close	Prev.
Adecco B	346	335	336	345
Alusuisse R	1062	1055	1055	1055
Ares-Serono B	1200	1156	1200	1170
Baloise Hdg R	2760	2685	2700	2760
ABB B	1624	1617	1617	1611
BK Vision	729	717	729	727
Bobst B	1785	1775	1775	1775
Ciba Geigy R	1637	1623	1623	1625
CS Holdings R	136.75	135.50	136	135.50
Elektrowatt B	525	519	522	520
Fischer B	1407	1369	1402	1365
Hilti PC	835	815	825	815
Holderbank B	929	920	927	917
Jul. Baer Hdg B	1395	1385	1393	1383
Nestle R	1410	1382	1410	1381
Oerlikon R	133.50	131	132	130.75
Pargesa Hld B	1450	1440	1450	1450
PharmVisn B	593	575	580	580
Pirelli B	179.50	176	179.50	179
Roche Hdg PC	10120	10025	10070	10000
Sandoz R	1539	1523	1525	1522
SBC R	249	247.50	248.75	247
Schindler B	1384	1372	1380	1369
SGS B	3175	3125	3155	3125
SMH B	809	802	808	801
Sulzer R	755	748	752	752
Swiss Reinsr R	1401	1386	1392	1389
Swissair R	1090	1073	1087	1069
UBS B	1181	1169	1178	1168
Valora Hdg R	264	261	263	261
Winterthur R	769	764	766	766
Zurich Assur R	365	360	362	360

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ASIA/PACIFIC

Despite One Success, Japan Stays Cool to IPOs

By Andrew Pollack
New York Times Service

TOKYO — As initial public stock offerings go, a sale by ATL Systems Inc. would not at drool. ATL, a five-year-old Japanese software company, had a loss of about $230,000 on sales of $120,000 in its last financial year.

But shares of ATL, which makes software for "intranets," or private corporate networks, were snapped up this week as if the 10-employee company were the next Microsoft Corp. The shares rose 51 percent on their first day of trading Tuesday, to 424,000 yen ($3,729) from the offering price of 280,000 yen. The share price closed unchanged Wednesday.

That ATL is going public at all in Japan is remarkable. It is the first company to use a new over-the-counter market intended to allow technology companies that are still in the unprofitable development stage to raise capital by selling shares to the public.

This so-called second over-the-counter market is aimed at remedying a big problem in Japan: the lack of high-technology entrepreneurs, who often take the lead in creating products and even whole industries elsewhere. In the United States, such entrepreneurs are often financed by venture capitalists, who see returns on their investment when the start-up company goes public.

In Japan it has been difficult for young companies to go public because they have had to meet certain profit and asset requirements. This has stymied venture capitalism here.

Eric Forday, an analyst with SBC Warburg Japan Ltd., said companies that had gone public in Japan in the past year were an average of 31 years old. In contrast, the Nasdaq market in the United States, home of such high-technology standouts as Apple Computer Inc., Cisco Systems Inc., Intel Corp. and Microsoft, lists more than 5,000 companies, many of them very young Japan has virtually no new technology companies with records comparable to their U.S. counterparts, and the Japanese over-the-counter market lists only about 760 companies, mainly in services.

The restrictions on initial public offerings were imposed by the Ministry of Finance, which feared that a flood of new issues would further depress a stock market that had been weak since the economic bubble of the late 1980s popped.

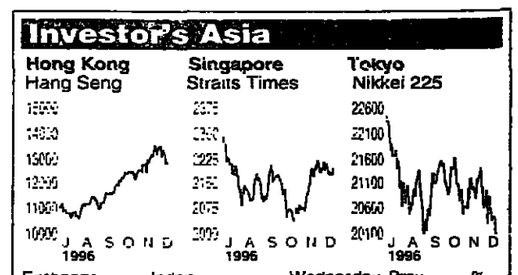
But the Ministry of International Trade and Industry, which wants to foster entrepreneurship, has pressed for changes. Weekly limits on new offerings were scrapped in April 1995, and the second over-the-counter market, which has no company profitability requirement, was established in July of that year — though it has taken more than a year for any company to use it.

Even now, the market is not likely to become an overnight success. Only one other company is currently scheduled to go public on the market — A&CMOS Inc., a Tokyo designer of integrated circuits, which will be listed next week. Despite Tuesday's enthusiastic reception for ATL, finding investors might be difficult. "Institutional investors don't invest in companies that are losing money," said Noriko Takahashi, who follows over-the-counter companies for UBS Securities in Tokyo.

Even if the new market proves popular, it is unlikely by itself to lead to a burst of entrepreneurialism in Japan, because there are other obstacles. The venture-capital business is not well developed, and many people prefer to work for big companies, which still offer the most prestige and security.

ATL, meanwhile, which raised about $2.7 million by selling 1,100 shares, must fulfill its promise of becoming profitable quickly to avoid further turning off investors.

Investor's Asia



Exchange	Index	Wednesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	12,766.02	12,815.37	-0.39
Singapore	Straits Times	2,195.78	2,176.52	+0.88
Sydney	All Ordinaries	2,323.70	2,315.80	+0.34
Tokyo	Nikkei 225	20,093.03	20,413.46	-1.57
Kuala Lumpur	Composite	1,191.89	1,193.83	-0.16
Bangkok	SET	853.82	867.23	-1.55
Seoul	Composite Index	661.39	663.35	-0.30
Taipei	Stock Market Index	6,896.52	6,855.57	+0.60
Manila	PSE	3,105.80	3,093.21	+0.41
Jakarta	Composite Index	629.45	623.80	+0.91
Wellington	NZSE-40	2,351.22	2,353.71	-0.11
Bombay	Sensitive Index	3,001.24	2,984.02	+0.58

Source: Telekurs International Herald Tribune

Very briefly:

• **South Korea** can expect relatively slow growth of just over 6 percent next year, the governor of the country's central bank, Lee Kyung Sik, said.

• **Toyota Motor Corp.** will start selling motorboats and boat engines next year. Scheduled to be the first on the market is a 28-foot (8.5-meter) cabin cruiser to be sold in Japan.

• **Seagate Technology Inc.**, an American disk-drive maker, will build a $70 million plant at an industrial park in the central Philippines developed by **MRC Allied Industries Inc.**

• **First Pacific Co.**, a Hong Kong company controlled by Indonesia's **PT Salim Group**, will invest in a $29 million mobile-telephone network with China's second-largest telephone company, **China United Telecommunications Co.**

Bloomberg, Reuters

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Amsterdam, December 13, 1996

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AMSTERDAM DEPOSITARY COMPANY N.V.
Amsterdam, December 13, 1996

China Markets Bounce Back

Many Call State's Rules the Main Source of Volatility

Bloomberg Business News

BEIJING — By slapping a 10 percent limit on daily stock movements this week, Chinese securities regulators aimed to stamp out speculation.

They apparently failed. Stocks that "foreigners can own lost a tenth of their value Monday and Tuesday, only to rebound Wednesday — by about 10 percent.

Shanghai's index of those stocks, known as the B-share index, ended 9.8 percent higher, at 64.252 points, while the A-share index of stocks reserved for Chinese investors rose 7.3 percent, to 1,016.24.

In Shenzhen, the B-share index closed 10 percent higher, at 133.80, while the A-share index gained 4.4 percent, to 391.92.

By deciding how much investors can speculate on any one day, analysts said, regulators have made it easier for people to figure out how much they stand to win or lose.

"All they've done is put a hair trigger on an already volatile market," said John Crossman of Jardine Fleming Securities Co. in Shanghai.

State interference in China's markets, while not new, is considered a burden on Beijing's attempt to develop the robust capital markets needed to finance modernization of its state-owned industries.

Anxious about the potential for big losses if China's markets should collapse, regulators said over the weekend they would punish market manipulation, limit the ability of banks and brokerages to lend money for trading, restrict companies from playing the markets and limit the amount any stock can rise or fall to 10 percent a day.

The moved angered both Chinese and overseas investors, who said the government's policy reversals were becoming the biggest source of market volatility. The regulator's "role is very, very contradictory," said Joyce Leung, sales director at Vickers Ballas Hong Kong Ltd. "They're trying to be market police, but it's the administrative measures they put forward that cause the ups and downs."

After five years of trying to manage the markets, some foreign investors say, it is time Chinese regulators tried a more subtle approach.

Chinese investors have pushed up stock prices because they do not have enough places to invest their money, said Tina So, a fund manager at Schroders Investment Management (HK) Ltd.

"If the government would increase the supply of new equities, that would dampen speculation in the market immediately," she said. "So would encouraging people to buy their own houses and invest in property."

Individual savings deposits total about 3.7 trillion yuan ($444.25 billion) in China, three times the combined capitalization of the Shenzhen and Shanghai exchanges.

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Tokyo Bank Backs Three Gorges Dam

Compiled by Our Staff From Dispatches

TOKYO — Japan's Export-Import Bank said Wednesday it would provide loans to support a bid by a group of companies to participate in the construction of China's Three Gorges Dam on the Yangtze river.

Kazuhisa Marukawa, director-general of the bank, said the bank saw no environmental or human-rights obstacles to constructing what would be the world's largest hydroelectric dam.

The U.S. Export-Import Bank decided on May 30 to turn down applications for loans for the project, citing environmental and human-rights concerns.

Environmental groups say the plan unnecessarily destroys a huge tract of land that is historic, scenic and a home to rare wildlife. Human-rights groups say plans to relocate whole towns ignore the needs of residents, and that Beijing clamps down on people who oppose the project.

China closed the bidding Wednesday on contracts to supply 14 of 26 generators for the project. The consortium that wins the bidding will have to announce co-production plans so that Chinese companies can gain enough experience to supply the remaining 12 generators.

Hitachi Ltd., Toshiba Corp., Mitsubishi Heavy Industries Ltd. and Mitsubishi Electric Corp. are among the Japanese companies bidding to supply equipment for the project. The Japanese trading companies Itochu Corp., Mitsui & Co., Sumitomo Corp. and Mitsubishi Corp. also will be involved. The Export-Import bank gave a "preliminary offer" to those companies, meaning it will extend loans if they win the bid.

If a Japanese consortium wins the bidding for construction of all 14 generators, the Export-Import bank will supply loans of between 40 billion yen and 70 billion yen ($352 million to $616 million), Mr. Marukawa said.

The Ministry of International Trade and Industry said it would provide trade insurance if any of the Japanese companies won the bidding.

The dam, the cost of which has been estimated at between $10 billion and $30 billion, is expected to be completed in 2009. *(Bloomberg, Reuters)*

Speech Hits Thai Market

Bloomberg Business News

BANGKOK — Thailand's benchmark stock index fell Wednesday to its lowest level since June 1993 as investors found little comfort in a policy speech by Finance Minister Amnuay Viravan.

Mr. Amnuay outlined proposals Tuesday to bolster the property market and push down interest rates, but analysts said the measures would be difficult to enact. The hardest part, they said, would be pushing interest rates much lower, as that would require big cuts in government spending.

"Getting government ministers to cut their budgets will be very difficult," said Paiboon Nalinthrangkurn, director of research for Thai Investment & Securities PLC.

The Stock Exchange of Thailand index fell 13.41 points, or 1.6 percent, to 853.82.

"The speech was a disappointment," said Iven Houssian, a Hong Kong-based trader for Worldsec International Ltd. People expected "a concrete economic plan," he said, but only general goals were given — and those were "quite modest."

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PATRICIA WELLS AT HOME IN PROVENCE
Recipes Inspired by Her Farmhouse in France

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Recipes Inspired by Her Farmhouse in France
PHOTOGRAPHS BY ROBERT FRESON

For the past thirteen years, Patricia Wells has been carrying on a love affair not with an individual, but with a region of France, a centuries-old stone farmhouse, and a cuisine. Now, in a cookbook that captures the soul of modern regional French cooking, the award-winning journalist and author invites readers to share the passion, the joy, and, best of all, the cooking of her adopted home.

Provence is uniquely blessed with natural beauty as well as some of the world's most appealing foods and liveliest wines. Patricia's culinary skills have transformed the signature ingredients of this quintessential French countryside into recipes so satisfying and exciting they will instantly become part of your daily repertoire.

Here are 175 recipes from Patricia's farmhouse kitchen. As you read and cook from this book, generously illustrated with the captivating color pictures of famed photographer Robert Freson, you will feel as if you have actually joined Patricia Wells in her beloved stone farmhouse, and her passion for the foods, flavors, and people of Provence will become yours.

Patricia Wells has lived in France since 1980, where she is the restaurant critic for the *International Herald Tribune*. She is the author of five best-selling books: *The Food Lover's Guide to Paris, The Food Lover's Guide to France, Bistro Cooking, Simply French,* and *Patricia Wells' Trattoria.*

Hardback, 384 pages, 75 four-color photographs.

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Traveling To Israel

ALTHOUGH TEL AVIV AND Jerusalem are less than an hour's drive from each other, the two cities are removed by 3,000 years of history. Jerusalem, which has devoted the past 12 months to a celebration of its third millennium, is divided into two distinct parts, the old and the new cities, the first made inspirational by its holy shrines and antiquities, the second a thriving, modern city, distinctly European in character. With few exceptions, Jerusalem streets tend to empty out at night.

The distinctly Mediterranean Tel Aviv, on the other hand, is less than a century old. If Jerusalem is timeless and awe-inspiring, Tel Aviv is a city where people go for business, shopping, sand and fun. Although a great deal of business is carried on in Jerusalem, Tel Aviv is the country's financial, fashion, media and commercial center. Both cities offer so much in the way of theater, concerts and museums that residents love arguing about which city deserves the title of the nation's cultural center. Of one thing visitors can be sure: By the time most of Jerusalem has closed up for the night or the Sabbath, Tel Aviv is just beginning to come to life.

At a Glance

Neither city has a clearly defined center. Nor do they have a single central location for business or cultural activities. Tel Aviv, which includes the biblical port city of Jaffa, basically runs on a North-South axis, the westernmost part of which meets the beach at the Mediterranean. Street numbers on those streets running east-west start at the sea, and numbers on streets parallel to the sea start at the southernmost end of every street.

Jerusalem is more confusing at first glance, for the city is actually a collection of neighborhoods and small villages in which streets seem to start and end without any apparent logic. The walled Old City, where many of the religious shrines are found, is a maze of crisscrossing streets, but visitors rarely get lost as multilingual directional signs are designed to keep them on the right track. Well-indexed city maps are available free from the Ministry of Tourism offices and hotel concierges.

Getting Around

Both cities have an abundance of taxis and good bus systems. Taxis are relatively inexpensive and can be ordered by telephone or flagged on the street. Inner-city taxi fares are paid according to the meter price. Fares between cities are paid according to fixed price schedules, and hotel concierges can tell you what the fare will be to any point in the country. Tips are included in taxi fares, but you can round off the price if you like.

In a Word

Hebrew is spoken everywhere, and Arabic will most commonly be encountered in parts of Jerusalem and Jaffa. Many Israelis speak English fluently and, because the country has immigrants from more than 80 nations, it is not difficult to find people speaking French, Russian, Spanish, German or Italian. Street signs are frequently in Hebrew, Arabic and English.

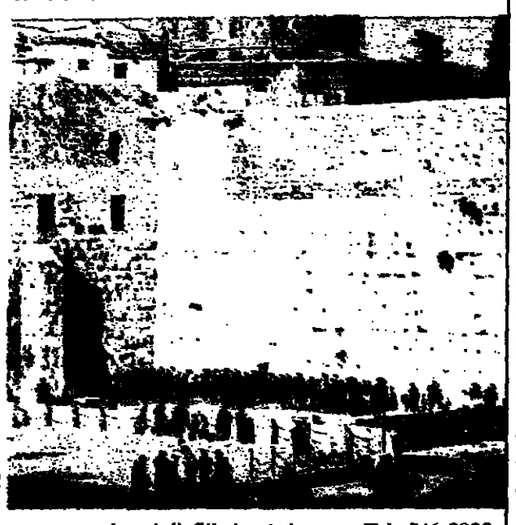
Wining & Dining

Fifteen years ago, the most popular food in Israel was probably felafel, ground balls of deep-fried chickpeas that could be bought at street stands everywhere. Happily, there has been a culinary revolution, and a group of primarily young chefs have introduced fine dining based on a fusion of the best French methods and the finest local ingredients. The better restaurants are relatively dear.

The country has also gone through a wine revolution, and at least one winery. The Golan Heights Winery, is now producing wines that rival the best of California, Australia and other New World wine-producing countries. Try especially their Cabernet Sauvignon, Merlot, Sauvignon Blanc and Chardonnay.

In Jerusalem

Arcadia: Rehov Agrippas 10. Tel: 624-9138. Working together, chefs Ezra Kedem and Tamar Blay have created a cuisine that is contemporary and light, equally influenced by France and the Mediterranean. Among the best dishes I sampled here were the grilled giant shrimp on a bed of endive, a block of goose liver served with a vanilla-flavored oil, the carpaccio of lamb, zucchini flowers filled with seafood



PIX BA

mousse, and ravioli filled with pumpkin purée. Prices are moderate to high.

Fink: Rehov Histadruth 2. Tel: 623-4523. Invariably listed as one of the 10 best bars in the world, it is said that any diplomat, politician or public figure who has never been here is simply not worth knowing. Not great dining, but a good place for less formal business meetings or just to unwind.

Mishkenot Sha'ananim: in the Yemin Moshe Quarter. Tel: 624-4696. With its exquisite panoramic view of the Old City, this elegant bastion of fine cuisine also houses a world-class wine cellar. The *tournedos à la Rossini* and the roast duckling with figs are as good as you will find anywhere. Expensive.

Oceanus: Rehov Rivlin 7. Tel: 624-7501. Chef-owner Eyal Shani has made this into what may be the best fish and seafood restaurant in the country. His carpaccio of sea bass, clams in white wine sauce, crabs in pastis and herbed, roasted sea fish are admirable. Expect to part with a good deal of money for the privilege of dining here.

Pini's Restaurant: Rehov Yaffo 31. Tel: 625-9570. Tucked away in a narrow alley, this is the kind of eatery that gave simplicity its good name. One of the best places in the city to feast on Middle Eastern salads and charcoal-grilled skewers of meat (including goose liver). Reasonable prices.

In Tel Aviv:

Bimbaum and Mandelbaum: Sderot Rothschild 35. Tel: 629-3222. Primarily for carnivores, this postmodern interpretation of a New York City steak house features great chopped chicken liver, fabulous corned beef sandwiches and world-class steaks. Not too pricey.

Kapot Tmarim: Rehov Ahad Ha Am 60. Tel: 566-3166. By relying in equal parts on regional ingredients, the cooking styles of France and Italy, and a good deal of creativity, chef Offer Gal has created an ambiance and cooking style that are worthy of note. Try the lamb's brain salad, shrimp lasagne, quail filled with foie gras and grilled pigeon in port wine. Expensive.

Keren: Rehov Eilat 12. Tel: 681-6565. Chaim Cohen is a remarkably talented chef, and his free use of aromatic herbs and light sauces often produces superb dishes. Among his most admirable offerings are the eggplant filled with goats' cheese, carpaccio of beef fillet with a confit of garlic, calamari salad and shrimps in crab sauce. Expensive but worth it.

Lilith: Rehov Mazeh 42. Tel: 629-8772. Californian inventiveness and Mediterranean ingredients come together well in this especially attractive restaurant. Try the gravlox, the grilled calamari, the hamburgers with *chalumi* cheese and the herbed pork fillet. Prices are high but not outrageous.

Moul Yam: in the old Tel Aviv port. Tel: 546-9920. French-Mediterranean in style, this excellent oyster bar and seafood restaurant features such dishes as grilled *coquilles Saint Jacques*, lobster with zucchini, Jerusalem artichokes and penne pasta. Try any of the crabmeat dishes and the excellent desserts. Prices are high.

Pronto: Rehov Nachmani 26. Tel: 566-0915. By far the best and most creative Italian cuisine to be found this side of the Mediterranean. The *panzarotti* filled with cheese and basil, the spaghetti with clam sauce, the herbed quail with risotto and the chicken *alla Diabolo* are worthy of note. Moderate prices.

Tapuach Zehav: Rehov Karl Netter 1. Tel: 629-6931. Arguably the best restaurant in the country. Restaurateur Israel Aharoni and chef Jonathan Roshfeld present a creative cuisine that is as French as it is Mediterranean. The foie gras dishes, the lobster cappuccino, the saddle of lamb and the lobster in two acts are especially exquisite. Expensive, but worth it.

Tsion Exclusive: Rehov HaP'dueem 28 (in the Yemenite quarter). Tel: 517-8714. In this Middle Eastern-cum-Yemenite restaurant, you can start off with genuinely good regional dishes, including hummus, tahini, *kubbeh* and meat-filled "cigars." Continue with the Yemenite meat soup and then any of the shishliks, kebabs or grilled fish dishes. Moderate prices.

Calling Around

Country Code: 972. Jerusalem City Code: 2. Tel Aviv City Code: 3. Operator assistance for local calls: 144; for overseas calls: 188. Police emergencies: 100. Ambulance: 101.

Daniel Rogov

"BUSINESS TRAVEL WITH ITT SHERATON" *was produced in its entirety by the Advertising Department of the International Herald Tribune.*
WRITER: *Daniel Rogov, restaurant and wine critic for Ha Aretz.*
PROGRAM DIRECTOR: *Bill Mahder.*

Next Destination

FRANKFURT

Paradise in Israel With ITT Sheraton

TRAVELERS VISITING ISRAEL for the sun, sea and fun as well as culture and history will soon have more ITT Sheraton hotels to choose from. Called Four Points Hotels by Sheraton (formerly Paradise Hotels), they were designed especially for the leisure traveler on a budget and will join the ITT Sheraton network.

The Jerusalem Paradise Hotel, located near the entrance to the historic city, is within walking distance of the Israel Museum and the Knesset. Its 200 guest rooms have private balconies, and there is a restaurant and a coffee shop. Guests can also enjoy a buffet by the large swimming pool. The health club has a heated pool, a jacuzzi, a sauna and a gym. The hotel is also endowed with congress and function halls for up to 800, meeting rooms and a children's club.

The 112 rooms of the Tiberias Paradise Hotel have balconies that offer a magnificent view of the Sea of Galilee and Golan Heights from a mountain slope setting. The hotel has a full-service restaurant, a lounge with views of the sea, a bar, a health club, a large outdoor pool surrounded by gardens, banquet halls for special events and seminars, an auditorium and a children's club.

Built around a beautiful tropical garden, the Eilat Paradise Hotel is just a short walk from the lagoon and the loveliest beach in Eilat. Its 247 rooms have balconies, and there are two dining rooms and a French restaurant. A buffet is served next to the pool, and there is a wide variety of activities for both adults and children, as well as a health club and meeting rooms.

The Paradise Red Sea Hotel is set amid green lawns and has a handsome interior courtyard. The swimming pool is surrounded by paths and waterfalls and has a jacuzzi. The 282 rooms have balconies, and in the evening guests can dance in the entertainment lounge after dinner. There is a fully equipped health club and a tennis court, and the beach is easily accessible.

Four Points Hotels by Sheraton join the two renowned ITT Sheraton hotels in Israel. The Sheraton Jerusalem Plaza is located within walking distance of the Old City and the modern part of town, and has panoramic views of both. Its 300 rooms, including 21 suites, are decorated in an elegant modern style. The Sheraton Jerusalem Plaza is known for the high quality of its restaurants.

The Sheraton Tel Aviv Hotel & Towers is this sunny city's top hotel, located on the shore of the Mediterranean, just steps from the beach. It has two outdoor swimming pools, a mini-health club and top-notch business facilities and fine restaurants.

Four Points Jerusalem Paradise Hotel, Four Points Tiberias Paradise Hotel, Four Points Eilat Paradise Hotel, Four Points Paradise Red Sea Hotel: For reservations, please call (972-3) 511 8870.

Sheraton Jerusalem Plaza Hotel: Tel.: (972-2) 259 111. Fax: (972-2) 231 667.

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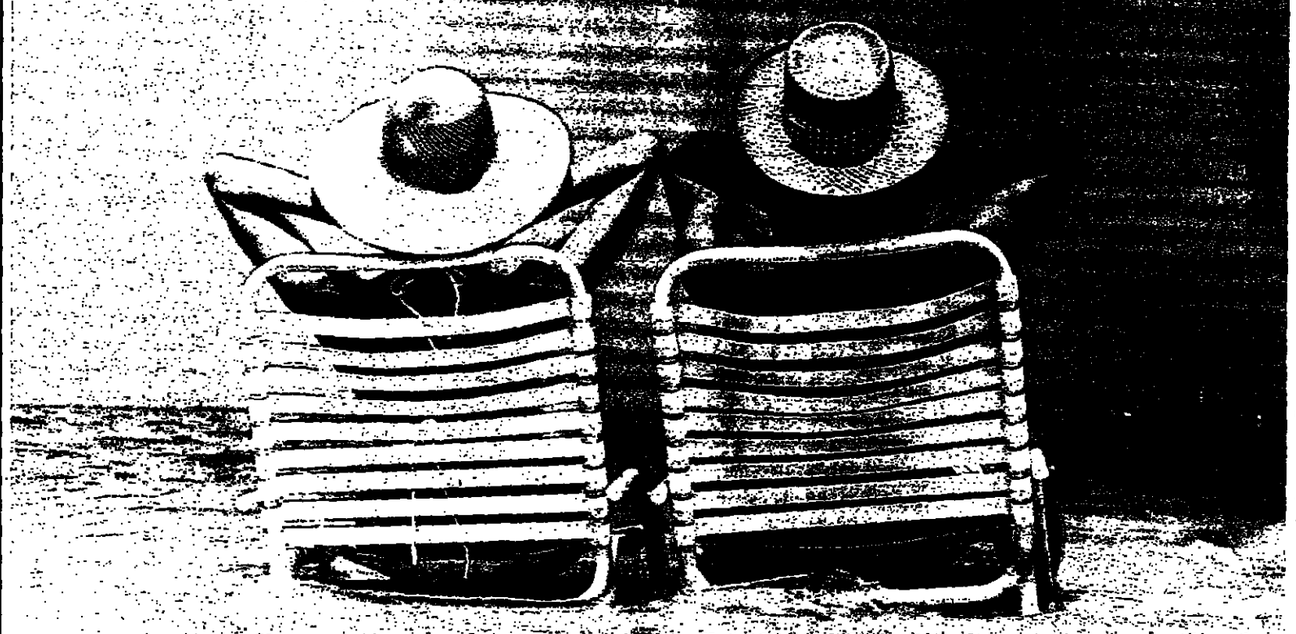

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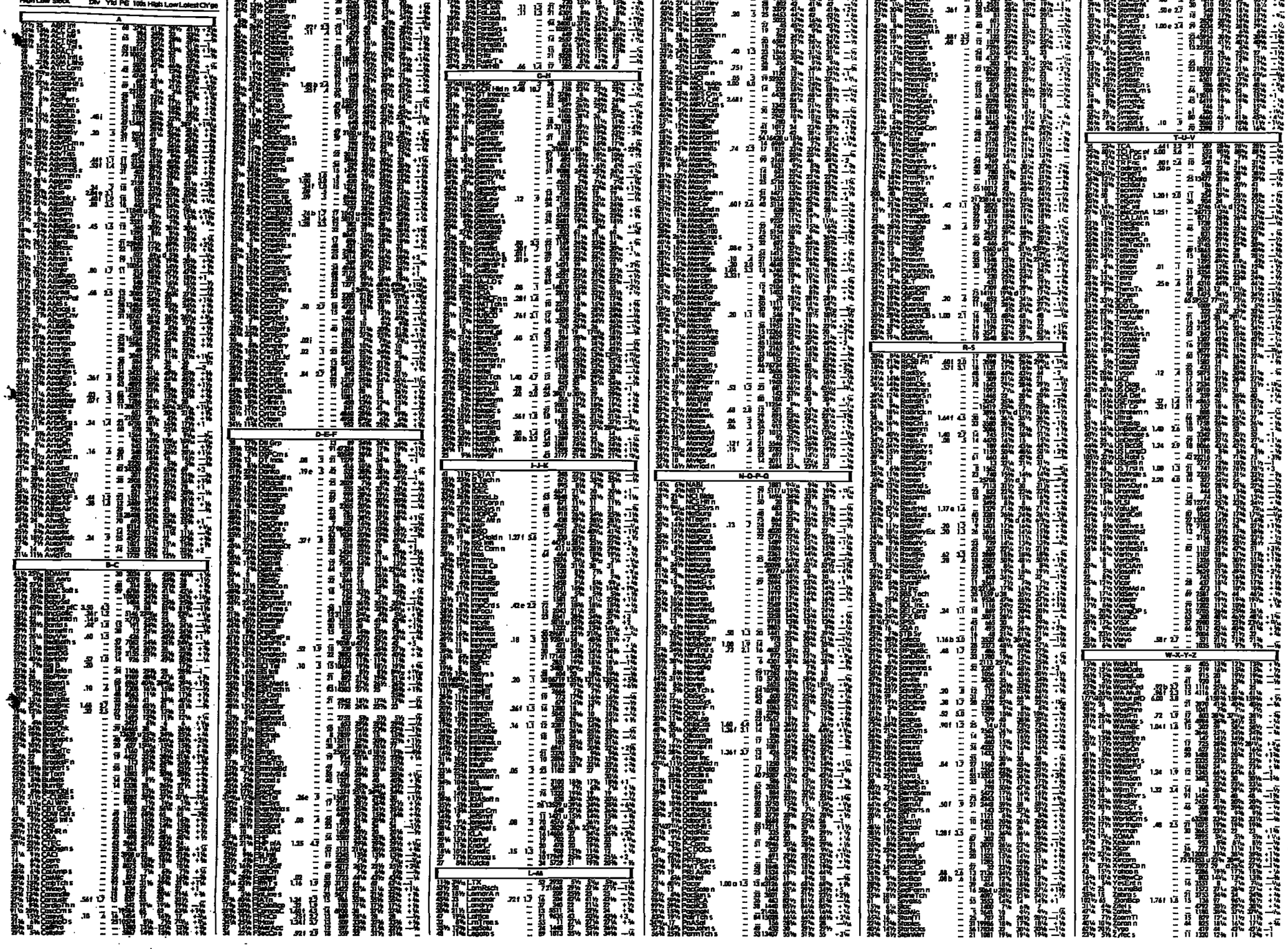
The Associated Press.



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Wednesday's 4 p.m. Close
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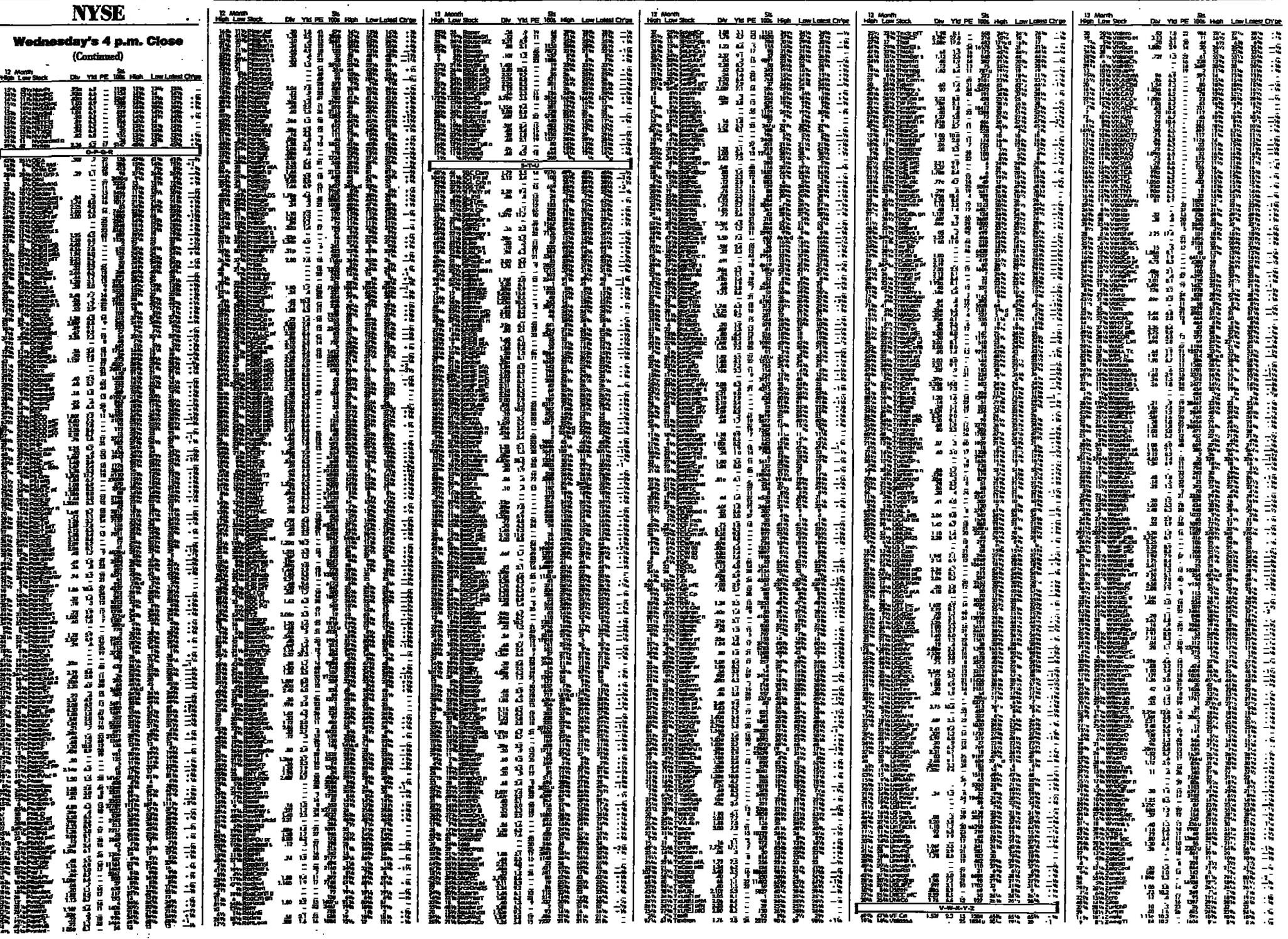


WORLD ROUNDUP

David Gray/AFP

Grant Flower of Zimbabwe batting in the first over Wednesday.

Strong Start for Zimbabwe

CRICKET Zimbabwe's captain, Alistair Campbell, scored an aggressive 84 on Wednesday to lead his team to 256 for six at stumps on the first day of the inaugural Test against England. The score on a slow Queen's Sports Club wicket signaled a strong beginning for host Zimbabwe, trying for only its second victory in Test cricket.

Campbell, who came in when Zimbabwe lost its first wicket in the second over, immediately scorned the defense and went for his shots. He stroked two boundaries off Chris Silverwood in one over, then immediately notched another in the next over against Allan Mullally.

Finally caught by Silverwood off a Robert Croft delivery, Campbell was 84 off 136 balls to lead the Zimbabwe batting. Grant Flower played a useful secondary role, making 43, and his brother Andy Flower was not out on 58. *(AP)*

FIA Statement Criticized

MOTOR RACING Italian media reacted with anger Wednesday to the International Automobile Federation's statement that Formula One teams might boycott Italian Grands Prix next season as a protest against the manslaughter trial of Williams team officials.

Italy's largest sports daily, Gazzetta dello Sport of Milan, wrote in an editorial that "if English teams are not going to compete in Imola and Monza. . . Formula One, more than the civil society, will be hurt." Rome's sports daily, Corriere dello Sport, criticized the comments by the federation, known as the FIA.

On Monday, an Italian magistrate decided to try Formula One team owner Frank Williams and five others on manslaughter charges arising from the 1994 racing death of Ayrton Senna. In response, the federation issued a statement Tuesday suggesting that it may be difficult to persuade competitors to participate in Formula One races in Italy.

• From now on, if it doesn't race at Indianapolis, it's not an Indy car. Under a settlement announced Tuesday, a license agreement between Championship Auto Racing Teams and the Indianapolis Motor Speedway has been canceled, and CART will drop the "IndyCar" trademark from its race series. Other terms of the settlement were not disclosed. *(AP)*

Childs Comes of Age

New Guard Leads Knicks Over Jazz

By Mike Wise
New York Times Service

NEW YORK — Long before his opportunity to play in the league arrived, Chris Childs wanted the things John Stockton already had in basketball: a playoff team to direct, a post player who could sink baseline fallaways with a minute left, and, most of all, the ability to alter the game himself with one magnificent shot.

Over time, the adulation of the New York Knicks' floor leader turned to

NBA ROUNDUP

envy, and Tuesday night before the loudest crowd of the season at Madison Square Garden, Childs' envy of Stockton finally turned to emulation.

Childs won the game for the Knicks, swishing a 3-pointer from 22 feet away on the right wing with 31 seconds to play, sending New York on to an emotional 99-94 victory over the Utah Jazz.

Finishing with a 22 points and 7 assists, Childs, the team's newly acquired point guard, outplayed Stockton and led the Knicks to their most impressive victory of the season. He sealed the game by grabbing a rebound with 10.2 seconds remaining and converting two free throws with 7.6 seconds left.

For all of Stockton and Karl Malone's clutch play and effort, Stockton could not bring Utah back from a 9-point deficit in the final minutes. The Jazz and Knicks traded baskets like children trade blows in a pillow fight in the last two minutes. The least groggy turned out to be Childs and the Knicks, who moved to 16-6 and won their seventh straight game. They won their fifth in a row at the Garden to complete a home stand unbeaten.

Utah and its Hall of Fame-bound tandem, who came in having won 16 of their past 17, fell to 18-4.

Patrick Ewing won back favor on his home floor, scoring 10 of his 25 points in the fourth quarter on a variety of jump shots with impossible angles. The most important came with 1 minute 6 seconds left after Malone (29 points, 14 rebounds) and Stockton (21 points) brought the Jazz back for the umpteenth time.

Ewing dropped in a 17-footer over Antoine Carr along the left baseline to push the lead to 94-92 after Jeff Hornacek had tied it with a runner in the lane.

Ewing had taken abuse from the Garden crowd since complaining about its booing 10 days ago, but those jeers disintegrated in the pandemonium — especially after the winning shot by Childs.

It came off an assist from Larry Johnson, who was open himself at the top of the key but rotated the ball to Childs.

Childs, with Adam Keefe running out at him, calmly dropped the ball in.

Included in his repertoire was a 360-degree spin that left Stockton in his wake midway through the fourth quarter and a 12-point third quarter. He was asked where he learned the move.

"I used to watch Earl and Clyde, man," he said, paying homage to the former Knicks Earl Monroe and Walt Frazier.

In other games, The Associated Press reported:

Pacers 103, Heat 89 Miami lost guard Tim Hardaway with a strained lower back, then lost to visiting Indiana.

Antonio Davis scored 21 points for Indiana, which withstood a fourth-quarter rally by the Heat to end Miami's four-game winning streak.

Raptors 97, Nets 88 Walt Williams scored 24 points and Damon Stoudamire scored 14 of his 17 in the fourth quarter as Toronto snapped a four-game losing streak and won its first road game this season. Kerry Kittles led New Jersey with 27.

Hornets 93, 76ers 84 In Philadelphia, Muggsy Bogues tied his career high with 24 points as the Hornets won for the fifth time in six games.

It was Charlotte's second victory in five nights over the 76ers, who lost their eighth straight.

Bulls 129, Lakers 123 Scottie Pippen made a driving layup with 42.7 seconds left in overtime after Toni Kukoc rallied host Chicago from a 19-point fourth-quarter deficit.

Kukoc scored 23 of his season-high 31 points in the fourth quarter and overtime to offset a bad shooting night by Michael Jordan, who made just 10-of-32 from the floor but scored 30 points.

Hawks 109, Mavericks 73 In Dallas, the Atlanta Hawks made an NBA-record 19 three-pointers.

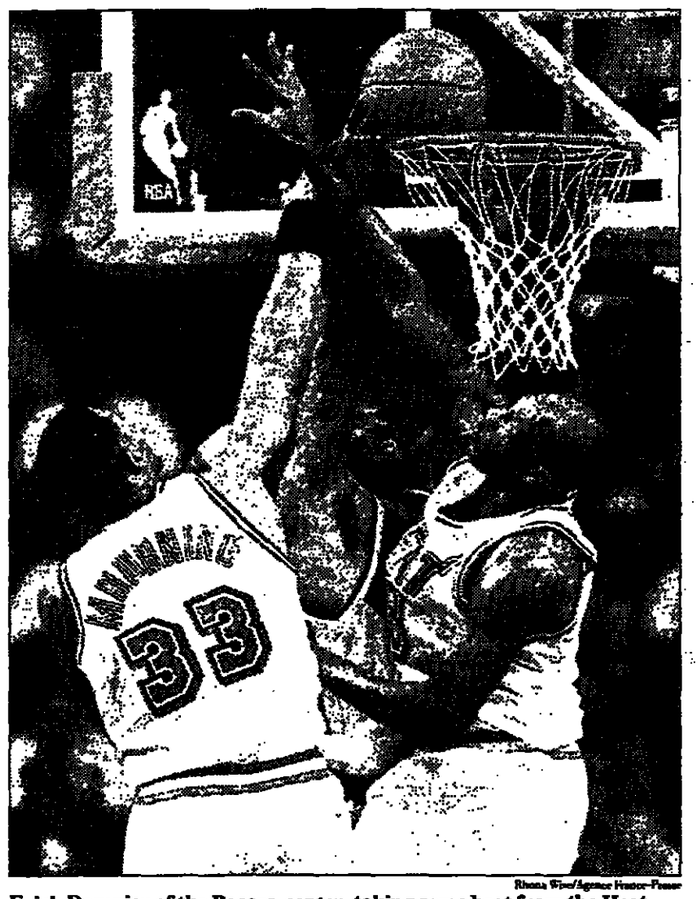
Mookie Blaylock made five 3-pointers and scored 27 points for the Hawks, who won for the ninth time in the last 11 games. Atlanta made 19-of-27 3-pointers to break the league record of 18 treys set twice last season by the Mavericks, most recently on March 5 against New Jersey.

Sonics 123, Warriors 83 Hersey Hawkins scored a season-high 30 points and Gary Payton added 24 as host Seattle ended a three-game losing streak.

The Warriors, who trailed by 33 points at halftime, lost Joe Smith 2:04 into the second half with a sprained left ankle when Seattle's Jim McIlvaine landed awkwardly on him near the Sonics' basket.

Grizzlies 93, Rockets 92 In Vancouver, Bryant Reeves made a 14-foot jumper with 5.8 seconds left as the Grizzlies outscored Houston, 17-6, in the final 4:21.

The Grizzlies overcame a 10-point deficit in the final five minutes to end the Rockets' six-game winning streak and send Houston to just its third loss this season.



Rhona Wise/Agence France-Presse

Erick Dampier of the Pacers, center, taking some heat from the Heat.

Wells to Join Yankees for $13.5 Million

By Jack Curry
New York Times Service

NEW YORK — Moments after David Wells agreed to a three-year contract for $13.5 million with the New York Yankees, the pitcher asked for permission to use their spring training facility in Tampa, Florida.

Wells had already ingratiated himself to the team's owner, George Steinbrenner, by displaying his passion for the Yankees and for Babe Ruth during a one-on-one meeting with the Yankee owner Saturday. By deciding to work out so soon after an agreement was reached on Tuesday, he had to be thrilling his new boss again.

But then anyone with the chance to make more than $19 million for the next four years should be clever enough to punch in as soon as possible.

The contract for the free-agent left-hander includes a club option year for 2000 and the opportunity to earn another $2.05 million in incentives based on starts and innings. Thus, the 33-year-old Wells could make much more than the $13.5 million he is guaranteed.

The Yankees would say only that they had an agreement in principle with Wells and that there were some minor details to be worked out, but a person in Major League Baseball said the contract was complete, and that the Yankees would make the formal announcement at a news conference Thursday at Yankee Stadium.

That should give the team time to explain why Wells and an extra year is worth almost $6 million more than the Baltimore Orioles paid Jimmy Key, and why the team did not chase Wells before pursuing Roger Clemens in vain.

The Yankees zealously pursued Wells after Clemens rebuffed their four-year, $32 million proposal and signed with the Toronto Blue Jays on Friday.

After offering Wells $11.5 million on Monday night, the Yankees increased it by $2 million to complete the contract and, in essence, complete a swap of free-agent left-handers with Baltimore: The Orioles got Key and the Yankees got Wells.

"Absolutely, I'm ready for this," said Wells, who was 11-14 with a 5.14 ERA for the Orioles in 1996.

By signing Wells, Steinbrenner stemmed the one-way flow from his World Series champions that had included John Wetteland (Texas) and Leyritz (Angels), as well as Key.

Steinbrenner has told associates that he does not plan to trade Cecil Fielder, who has requested a trade and will make $7.2 million next season, because the owner believes the Yankees need his right-handed power.

Wells will provide some left-handed power from the mound, where he will now join right-hander David Cone, left-hander Andy Pettitte, right-hander Dwight Gooden and left-hander Kenny Rogers in the probable starting rotation.

Despite giving in to a heavier emphasis on incentives, Wells corralled more money than the Yankees expected to pay for him when the free-agent process began. He agreed to a $500,000 signing bonus with a $3 million salary for 1997, $4 million for 1998 and $4.5 million for 1999. He can earn incentives of $600,000 in 1997, $400,000 in 1998 and $150,000 in 1999 if he pitches 190 innings and makes 30 starts.

The Yankees have the option for 2000 and can buy out Wells for $1.5 million or exercise the option for $4.5 million with the chance for $900,000 in performance bonuses. If the Yankees brought Wells back for a fourth year and if he reached all the incentives, he would make $19.05 million.

Radical Step For Golota?

Reuters

WARSAW — Andrew Golota admits that maybe he should undergo psychoanalysis after squandering his chances of victory over Riddick Bowe because of low punches for the second time.

A Polish sports daily asked him why he threw ninth-round low blows that led to him being disqualified just one round away from near-certain victory on Saturday.

"I don't know, I really don't know," Golota, 28, told Przeglad Sportowy in an interview published Wednesday.

"It was supposed to be a combination of punches to the stomach, so Bowe would have had to straighten out and give me a chance for a final knockout," Golota said.

Asked to comment on his co-trainer Lou Duva's suggestion of psychoanalysis, Golota said: "Why not? Maybe he's right. I don't know."

Golota was disqualified for low blows during a July fight against Bowe in New York and said then that he had been desperate because he could not flatten the American.

Austrians Keep Icy Grip in World Cup

Reuters

VAL D'ISERE, France — Austria's skiers may not be as extravagant and outspoken as the Italian superstar Alberto Tomba, but their domination in the men's World Cup is the most striking fact of the early Alpine skiing season.

From Toni Sailer to Karl Schranz or Franz Klammer, Austrians have long been the strongest team in speed events. Their show of strength Sunday in Val d'Isere — four men in the top four places of the first men's downhill of the season — confirmed the trend.

But they did it again in Monday's Super-Giant slalom, also the first this season, placing four men in the top five, six in the top 10, with the winner, Hans Knauss, seizing the overall World Cup lead.

And though the flamboyant Tomba was the focus of attention on his return to the circuit from injury in a slalom Tuesday at Madonna di Campiglio, Italy, the Italian had to settle for second place behind another Austrian — Thomas Sykora.

It is the breadth of talent in the team that is proving so impressive this winter. The big names such as the world downhill champion, Patrick Ortlieb, and the veteran Guenther Mader — who were both on the podium at Val d'Isere — were always expected to do well. But Fritz Strobl was little known in the World Cup before his downhill victory here Sunday.

"Our secret right now is that we are forced to be at our best in training as well as in competition," said Knauss.

Last week, the Austrians clocked the six fastest times of the first downhill practice of the season here, thanks to the incentive of competition for team places.

The Austrians took the first two places of the opening slalom of the season in Park City, Utah, with Sykora and Thomas Stangassinger, and scored another double in a giant slalom in the Utah resort with Josef Strobl, who is not related to Fritz, and Knauss.

The competition is so fierce that even Mader, one of the best skiers of the past 10 years, is worried about his up-and-coming compatriots.

"Right now it is very difficult to make it into the team as many guys are capable of finishing in podium place," he said. "I hope to be at my best for the world championships in Sestriere, but first I'll have to qualify."

Luc Alphand of France, the best downhill specialist of the last two seasons, said he was not surprised by the success of a country in which 50 percent of the population skis.

"It is their national sport — it is as simple as that," he said. "They have 50 guys battling it out for a place in the team when the French, the Italians or the Germans have but 20." Steve Locher of Switzerland, one of three non-Austrians to have won a race this season, is also impressed by the strength of his team's traditional rivals.

"To be the man who upsets the Austrians is a role I like," he said, after preventing them from a second clean sweep in 48 hours by taking third place in Val d'Isere's Super-G. "But I have no illusions. They are far too many for one man to beat."

■ Norwegian Leads Cross-Country Standings

Bjorn Daehli posted his third victory of the season Wednesday and paced a Norwegian sweep in the men's 30-kilometer classical cross-country race to extend his overall World Cup lead, The Associated Press reported from Oberstdorf, Germany.

Daehli, the defending World Cup champion, clocked one hour, 20 minutes, 13.3 seconds over the distance to beat three fellow Norwegians. Erling Jevne was second in 1:20:57.5, while Sture Sivertsen finished third in 1:21:24.5. Vegard Ulvang, on the comeback trail, finished fourth as Norway placed eight racers in the top 10.

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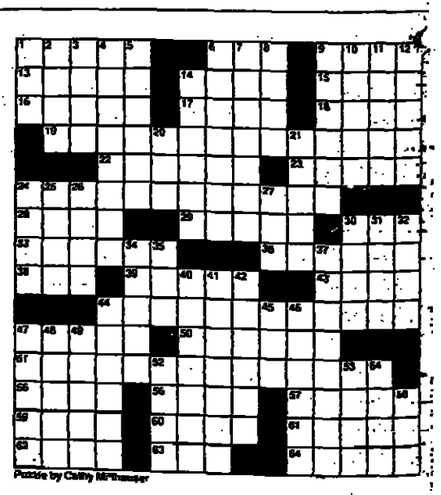
13 Smithy's furnace
14 It's music to St. Peter's ears
15 Come-on
16 Sign of spring
17 "Alfred" composer
18 Swenson of "Benson"
19 Words stamped on a char's mailing?
22 Lacking a musical quality
23 *Chilling*
24 Long soot?
28 Seat of King Olaf's rule
29 Central German state
30 Club of diamonds
33 Jacket material
36 Workout segment
38 Descry
39 In the boondocks
43 Rick's beloved
44 Hot film of 1947?
47 Musical key
50 1994 Oscar winner Wiest
51 Use bellows?
55 Kind of check
58 Dome
57 *Thorough* check
59 River of Leeds?
60 Copied
61 Warehouse
62 Wilbur Post's TV companion
63 Chaired
64 Connecticut River town

DOWN

1 Rearward
2 Appointed time
3 Gardner a.k.a. A. A. Fair
4 Firebrand
5 Assistant
6 Steak —— (raw meat dish)
7 Roseanne's former in-laws
8 Group incl. the U.A.E.
9 Show pain
10 Newswoman Ellerbee
11 Emotional heat
12 *Jaded*
14 1986 title role for Mia
20 Pop artist Lichtenstein
21 Japanese immigrant
24 *Palms (off)*
25 Presque ——, Me.
26 It's full of hot air
27 Balaam's rebuker
30 It's often screwed up
31 Cathedral protuberance
32 Ruler in Rimsky-Korsakov operas
34 Gravy ingredient
35 South of Spain
37 Play breaks
40 Bureaucratic problem
41 Did the Wright thing
42 Inclined
44 Toadied
45 Three minutes, in boxing: Abbr.
46 Put into a sheath
47 James Garfield's middle name
48 Éclat
49 France's longest river
52 Memorable 1995 hurricane
53 Commotions
54 Parmesan bread
56 Bugs Bunny cartoonist —— Avery



Puzzle by Cathy MacMaster

© New York Times/Edited by Will Shortz

Solution to Puzzle of Dec. 18

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F	I	L	E		S	A	R	A		W	O	M	A	N
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SPORTS

7-Year Itch Scratched

Boston Conquers Pittsburgh Jinx

The Associated Press

Ted Donato had two goals and two assists in a five-goal second period as the Boston Bruins triumphed in Pittsburgh for the first time *in nearly seven years* with a 6-4 handling of the Penguins.

Boston posted its first victory at the Civic Arena since Jan. 2, 1990, ending a 0-16-1 streak that included playoffs. The Bruins had been 0-11-1 in the regular season at Pittsburgh with 10 straight losses.

Overall, the Bruins ended a four-game losing streak and a 0-5-1 stretch. They had gone 136 minutes and 22 seconds without a goal *before Steve Heinze* scored shorthanded at 11:21 of the first period to tie the game Tuesday night.

NHL Roundup

Whalers 5, Blues 3 Kevin Dineen scored Hartford's third power-play goal with 7:17 left in the third period, and the host Whalers snapped a three-game losing streak with a victory over St. Louis.

Dineen tipped Curtis Leschyshyn's shot from the left point under the Blues' goalie, Jon Casey, and gave the Whalers their only lead of the game. Andrew Gassels added an empty-net goal in the closing seconds for the Whalers. Steven Rice scored two goals and Nelson Emerson had three assists for Hartford, which leads the Northeast Division.

Joe Murphy, Al MacInnis and Pierre Turgeon scored for St. Louis, which lost its third straight.

Islanders 4, Kings 3 Bryan McCabe scored the winning goal after making the defensive play of the game late in the third period as host New York beat Los Angeles.

Scott Lachance, Bryan Smolinski and Marty McInnis also scored for the Islanders, who won for the third time in four games and beat the Kings for the third straight time at home. Kai Nurminen, Ray Ferraro and Phillipe Boucher scored for the Kings.

Avalanche 4, Red Wings 3 In Denver, Adam Deadmarsh had two goals and two assists as depleted Colorado overcame the loss of two players and a two-goal deficit to defeat Detroit.

Already playing without its leading scorer, Peter Forsberg, and two other front-line players, Colorado lost right wing Rene Corbet and defenseman *Alexei Gusarov to injuries in the second* and third periods.

Coyotes 4, Capitals 3 Keith Tkachuk scored two goals and capped a three-goal third-period rally as host Phoenix beat Washington.

Jim Johnson and Oleg Tverdovsky also scored as the Coyotes won their third consecutive game.

Goaltender Darcy Wakaluk, making his third straight start and his fifth in Phoenix's last six games, made 31 saves for his seventh victory in nine decisions (7-1-1). Peter Bondra, Sergei Gonchar *and Chris Simon scored for the Capitals.*

Maple Leafs 6, Sharks 3 Sergei Berezin, a rookie, scored the go-ahead goal and Mats Sundin added two more scores as Toronto beat San Jose.

The victory came before a crowd of 17,442, the Sharks' 100th straight sellout at the San Jose Arena, and stopped a three-game losing streak by Toronto. The victory was only the fourth in 16 road games for Toronto.

The Sharks had pulled into a 3-3 tie with consecutive second-period goals by Bernie Nicholls and Andrei Nazarov.

■ Finns Whip France, 7-0

Finland's second-string national ice hockey team overwhelmed a young select team from France, 7-0, in the opener Wednesday of the invitational five-nation Nagano Cup, Agence France-Presse reported from Nagano, Japan.

In another match at the "Big Hat" Olympic ice hockey arena, Japan's national squad beat university all-stars from western Canada, 1-0, on a penalty shoot-out after a 4-4 tie in regulation and extra time.

France could skate even with Finland's "B" team for only the first five minutes of the match.

After a tight-checking stand-off, Robart Salo's slapshot opened the scoring at 5:36 and Jan Latvala added the second goal 14 seconds later before Finland shifted into top gear for the one-sided shooting spree.

A United Arab Emirates' forward, Ibrahim Hussein, right, tripping a Kuwaiti defender, Bashar Abdel.

Slumping Bills Shuffle Back Home

By Charlie Nobles
New York Times Service

MIAMI — The numbers don't look good for the Buffalo Bills heading into the final week of the NFL's regular season.

Buffalo is 9-6 and can make the playoffs with a victory or tie at home Sunday against Kansas City. The combination of a Bills loss and a Jacksonville victory over Atlanta, however, would eliminate Buffalo. As the team flew home following a third-straight loss, this time by 16-14 to the Miami Dolphins on Monday night, the Bills were left to ponder several glaring factors in their late collapse.

For one, Miami, a team that had scored a grand total of 14 points in its previous two games, controlled the ball for nearly 42 minutes on Monday night, compared with Buffalo's 18.

"I feel like I didn't even play," said Zach Thomas, the Dolphins' workhorse middle linebacker.

Clearly, the Bills' offense has become a liability. Whispers have turned into shouts that quarterback Jim Kelly, 36, has lost much of his magic touch. Kelly was sacked twice, lost a fumble and had a pass intercepted to go with two touchdown passes. "We know we are a better football team than we are showing, speaking from an offensive standpoint," a weary Kelly said after the loss. "We just can't keep putting the defense in bad positions."

If there is any internal finger-pointing at Kelly specifically, however, it did not bubble over Monday night.

The quiet Buffalo locker room also told a story of defensive frustration. For the third straight game, the Bills failed to wrest the ball away from the opposition. "I don't think it's from lack of effort," said Bruce Smith, the team's star defensive end.

But Smith said he resented the implication that Buffalo's defense was as much to blame as its offense for the current slump. "It's our job to take the ball away," he said. "It's the offense's job to protect the ball. We've been having too many giveaways the last three games. We only had two against Miami, but still there's something wrong."

The Dolphins' victory gave them their first season sweep of Buffalo since 1986 and was only their third home victory over the Bills in their last 11 meetings.

"This is not the Buffalo Bills I know," said Phil Hansen, another defensive end for the team, after the loss Monday.

A Late Goal Puts Emirates Into Finals Of Asian Cup

The Associated Press

ABU DHABI, United Arab Emirates — Hassan Ahmed got his head onto a 75th-minute corner kick, giving the United Arab Emirates a 1-0 semifinal victory over Kuwait on Wednesday and putting the team on track for its first Asian Cup title.

Six host nations have made the final of the Asian Cup in the 10 times it has been staged, and each time the home team has won. In the final on Saturday, the Emirates team will face either Iran or Saudi Arabia, which were set to clash in the other semifinal later Wednesday.

The victory sparked spontaneous celebrations in the partisan crowd of 60,000. Even security personnel danced in the stadium aisles.

Tomislav Ivic, head coach of the Emirates team, said the match was "difficult, and in such a game, you can't ask for nice passing." He added, "It's a historic match for the U.A.E."

Milan Macala, Kuwait's coach, expressed disappointment and blamed the loss on injuries to the veteran defenders Wail Habashi and Osama Abdullah.

"The players are crying in the dressing room, but we tried," Macala said.

The match was marked by questionable officiating by the referee, Masayosi Okada of Japan, who twice handed out yellow cards to Emirates players for what some thought were red-card offenses.

Kuwait attacked from the opening kickoff, creating two successive corners that it wasted. The Emirates put its first offensive foray together in the 10th minute when Hassan S. Hassan sent a back pass to an advancing Mohamed A. Mohamed, whose 20-meter (22-yard) blast sailed over the bar.

Kuwaiti keeper Falah Majidi broke up another chance in the 21st minute, coming off his line to smother a ball with two Emirate forwards advancing.

Emirate keeper Muhsin Fairouz made two difficult saves just before the half.

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	Pct	GB
Miami	18	6	.750	—
New York	16	6	.727	1
Washington	11	11	.500	6
Orlando	9	10	.474	6½
Philadelphia	7	16	.304	10½
New Jersey	5	14	.263	10½
Boston	5	17	.227	12

CENTRAL DIVISION

Chicago	21	3	.875	—
Detroit	18	4	.818	2
Atlanta	14	8	.636	6
Cleveland	14	8	.636	6
Milwaukee	13	9	.591	7
Charlotte	13	10	.565	7½
Indiana	10	11	.476	9½
Toronto	8	16	.333	13

WESTERN CONFERENCE

MIDWEST DIVISION

	W	L	Pct	GB
Houston	21	3	.875	—
Utah	18	4	.818	2
Dallas	8	14	.364	12
Minnesota	8	15	.348	12½
Denver	5	19	.208	16
Vancouver	5	20	.200	16½
San Antonio	4	17	.190	15½

PACIFIC DIVISION

L.A. Lakers	18	8	.692	—
Seattle	17	9	.654	1
Portland	13	11	.542	4
L.A. Clippers	10	14	.417	7
Sacramento	8	16	.333	9
Golden State	8	17	.320	9½
Phoenix	7	16	.304	9½

TUESDAY'S RESULTS

Utah 18 27 21 28— 94
New York 22 18 35 34— 99

U: Malone 12-24 5-8 29, Stockton 7-11 5-6 21; N.Y.: Ewing 10-18 5-5 25, Childs 9-17 3-3 24. Rebounds—Utah 49 (Malone 14), New York 36 (Ewing 12). Assists—Utah 19 (Stockton 5), New York 22 (Childs 7).

Toronto 25 29 19 24—97
New Jersey 19 19 21 29—88

T: W.Williams 8-13 4-4 24, Stoudamire 6-9 9-14 17; N.J.: Kittles 10-22 5-6 27, Pack 7-22 1-2 17. Rebounds—Toronto 64 (Jones 12), New Jersey 52 (J.Williams 18). Assists—Toronto 15 (Jones, Christie 3), New Jersey 20 (Pack 12).

Charlotte 23 25 27 18— 93
Philadelphia 27 22 25 10— 84

C: Bogues 11-14 2-2 24, Curry 8-17 2-5 20; P: Coleman 9-16 8-8 27, Stackhouse 6-14 7-10 19. Rebounds—Charlotte 49 (Mason 11), Philadelphia 56 (Williams 11). Assists—Charlotte 21 (Bogues 6), Philadelphia 17 (Iverson 7).

Indiana 27 18 27 31—103
Miami 18 16 24 31— 89

I: A.Davis 9-14 2-4 21, Miller 5-12 5-5 18, Best 7-11 4-5 18; M: Mourning 9-23 7-12 25, Smard 7-12 0-0 18. Rebounds—Indiana 45 (A.Davis 11), Miami 50 (Mourning 18). Assists—Indiana 22 (Miller 5), Miami 19 (Mourning 4).

L.A. Lakers 36 36 29 15 7—123
Chicago 22 25 26 33 13—129

L.A.: Van Exel 14-21 3-5 36, O'Neal 12-20 3-6 27, Jones 8-15 4-4 21; C: Pippen 13-26 5-6 35, Kukoc 9-16 7-8 31, Jordan 10-22 10-14 30. Rebounds—L.A. Lakers 64 (Campbell 14), Chicago 62 (Rodman 18). Assists—L.A. Lakers 17 (Van Exel 6), Chicago 27 (Pippen 6).

Atlanta 27 35 19 28—109
Dallas 19 17 18 27— 81

A: Blaylock 10-15 0-0 27, Burton 5-7 3-4 17; D: McCloud 8-15 2-2 20, Jackson 6-17 3-5 17. Rebounds—Atlanta 58 (Alarcon 12), Dallas 46 (McCloud, Montross 7). Assists—Atlanta 26 (Smith 8), Dallas 18 (Jackson 7).

Golden State 17 20 29 17— 83
Seattle 34 26 27 26—123

G.S.: Sprewell 7-16 10-10 26, Armstrong 6-10 1-1 14; S: Hawkins 10-16 2-2 30, Payton 9-12 4-4 24. Rebounds—Golden State 46 (Sprewell, Marshall 7), Seattle 52 (Stewart 10). Assists—Golden State 18 (Price 7), Seattle 34 (Snow 13).

Houston 18 29 36 19— 92
Vancouver 25 22 20 25— 93

H: Olajuwon 8-16 7-10 23, Willis 9-14 2-2 20; V: Abdur-Rahim 7-10 8-9 22, Peeler 7-14 0-0 17. Rebounds—Houston 48 (Olajuwon 14), Vancouver 7 (Reeves 8). Assists—Houston 29 (Drexler 10), Vancouver 29 (Mayberry 10).

HOCKEY

NHL Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
Florida	18	6	7	43	96	67
Philadelphia	19	12	2	40	99	84
New Jersey	17	11	2	36	84	74
N.Y. Rangers	15	14	5	35	117	95
N.Y. Islanders	11	12	8	30	85	84
Washington	13	17	2	28	85	89
Tampa Bay	11	15	3	25	83	89

NORTHEAST DIVISION

	W	L	T	Pts	GF	GA
Hartford	15	10	6	36	97	97
Buffalo	15	14	2	32	89	88
Pittsburgh	14	15	3	31	112	111
Montreal	12	16	5	29	109	116
Boston	11	15	5	27	87	111
Ottawa	8	14	7	23	74	92

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Dallas	18	10	3	39	89	73
Detroit	17	10	5	39	93	60
St. Louis	15	17	1	31	94	108
Chicago	14	16	3	31	83	84
Phoenix	13	15	4	30	82	98
Toronto	13	20	0	26	96	116

PACIFIC DIVISION

	W	L	T	Pts	GF	GA
Colorado	19	9	4	42	113	72
Vancouver	15	14	1	31	96	94
Edmonton	14	16	3	31	106	101
Los Angeles	12	16	4	28	87	103
Calgary	12	17	4	28	80	90
Anaheim	11	16	5	27	90	105
San Jose	11	16	4	26	78	103

TUESDAY'S RESULTS

St. Louis 1 1 1—3
Hartford 0 2 3—5

First Period: S.L.-Murphy 7 (Turgeon, Matteau) Second Period: H-Primeau 11 (Emerson, Kron) (pp). 3, St. Louis, MacInnis 9, 4, H-Rice 7 (Leschyshyn, Emerson) (pp). Third Period: S.L.-Turgeon 4 (Hull, Murphy) (pp). 6, H-Rice 8 (Primeau, Emerson) 7, H-Dineen 8 (Leschyshyn, Cassels) (pp). 8, H-Cassels 8 (Dineen) (en). Shots on goal: S.L.-11-11-7—29. H- 7-9-11—27. Goalies: S.L.-Casey. H-Muzzatti.

Boston 1 5 0—6
Pittsburgh 1 1 2—4

First Period: P-Lemieux 16 (Daigneault, Clausson) (pp). 2, B-Heinze 17 (Oates, Stolos) (sh). Second Period: B-Kennedy 1 (Harkins, Rohloff) 4, B-Richter 2 (Donato) 5, B-T.Sweeney 1 (D.Sweeney, Donato) 6, P-Lemieux 17 (Jagr) 7, B-Donato 7 (Richter, T.Sweeney) 8, B-Donato 8 (Oates) Third Period: P-Neckred 17 (Woolley) 10, P-Francis 10 (Jagr, Hatcher) (pp). Shots on goal: B- 9-13-7—29. P- 8-9-14—31. Goalies: B-Ranford. P-Wregget, Lalime.

Los Angeles 1 1 1—3
N.Y. Islanders 1 2 1—4

First Period: L.A.-Nurminen 5 (Khristich) 2, New York, Lachance 1 (King, McInnis) Second Period: New York, Smolinski 6 (Berard, Lachance) 4, L.A.-Ferraro 12 (Tsyplakov, Boucher) 5, New York, McInnis 9 (Andersson, Berard) (pp). Third Period: New York, McCabe 4 (Green) 7, Los Angeles, Boucher 3 (Laperriere, Tsyplakov) Shots on goal: L.A.- 3-10-8—21. New York 20-9-14—43. Goalies: L.A.-Fiset. New York, Salo.

Detroit 6 3 0—3
Colorado 1 1 2—4

First Period: C-Deadmarsh 9 (Ozolinsh, Young) (pp). Second Period: D-Fedorov 11 (McCarty, Shanahan) 3, D-Johnson 2 (Pushor, Yzerman) 4, D-Larionov 4, 5, C-Deadmarsh 10 (Kamensky) Third Period: C-Young 11 (Sakic, Deadmarsh) (pp). 7, C-Lacroix 10 (Sakic, Deadmarsh) Shots on goal: D- 11-14-8—33. C- 8-17-9—34. Goalies: D-Vernon, Hodson. C-Roy, Billington, Roy.

Washington 1 1 1—3
Phoenix 0 1 3—4

First Period: W-Bondra 15 (Konowalchuk, Housley) (pp). Second Period: Phoenix, Tkachuk 15 (McCrimmon) (sh). 3, W-Gonchar 6 (Juneau, Simon) Third Period: Phoenix, Johnson 1 (King) 5, Phoenix, Tverdovsky 8 (Roenick, Gartner) 6, Phoenix, Tkachuk 16 (Numminen, Janney) 7, W-Simon 7 (Bondra, Gonchar) (pp). Shots on goal: W- 11-10-13—34. Phoenix 6-9-11—26. Goalies: W-Carey. Phoenix, Wakaluk.

Toronto 2 1 3—6
San Jose 1 2 0—3

First Period: T-Gilmour 7 (Domi, Sundin) (pp). 2, S.J.-Granato 11 (Hawgood, Friesen) 3, T-, Hendrickson 4 (Zettler, Muller) Second Period: T-Muller 10 (Hendrickson, Martin) 5, S.J.-Nicholls 6 (Granato, Friesen) 6, San Jose, Nazarov 5 (Sutter, Gill) Third Period: T-Berezin 11 (Sundin, Martin). 8, T-Sundin 18, 9, T-Sundin 19 (Gilmour, Murphy) (en). Shots on goal: T- 11-5-7—23. S.J.- 11-10-10—31. Goalies: T-Potvin. S.J.-Hrudey, Terreri.

SOCCER

ASIAN CUP

SEMIFINALS

IN ABU DHABI

United Arab Emirates 1, Kuwait 0
Iran 0 Saudia Arabia 0
(Saudi Arabia won 4-3 on penalties).

ENGLISH PREMIER LEAGUE

Coventry 2, Newcastle 1
Liverpool 4, Nottingham Forest 2

STANDINGS: Liverpool 37; Arsenal 35; Wimbledon 34; Newcastle 30, Aston Villa 30; Manchester United 27, Everton 27; Chelsea 25; Tottenham 24, Sheffield Wednesday 24; Derby 22; Leicester 21, Leeds 21; Sunderland 20; West Ham 18; Middlesbrough 15; Blackburn 13, Southampton 13, Coventry 13; Nottingham Forest 10.

SCOTTISH PREMIER DIVISION

Rangers 4, Kilmarnock 2.

CRICKET

FIRST TEST

ZIMBABWE VS. ENGLAND

WEDNESDAY, IN BULAWAYO, ZIMBABWE

Zimbabwe 1st innings: 256-6

TRANSITIONS

BASEBALL

MAJOR LEAGUE BASEBALL

AMERICAN LEAGUE

BOSTON—Agreed to terms with LHP Chris Hammond on one-year contract. Sent LHP Brian Looney to Minnesota Twins to complete the Aug. 26 trade for RHP Pat Mahomes.

KANSAS CITY—Agreed to terms with LHP Juan Agosto on minor-league contract.

NEW YORK YANKEES—Agreed to terms with LHP David Wells on three-year contract.

NATIONAL LEAGUE

CHICAGO—Agreed to terms with LHP Larry Casian on one-year contract. Put INF Leo Gomez on waivers for purpose of giving him his unconditional release. Claimed RHP Miguel Batista off waivers from the Florida Marlins.

NEW YORK METS—Named Ken Berry manager of Kingsport, App.L; John Stephenson manager of Mets, GCL team; Doug Flynn coach for St. Lucie, FSL and Tim Leiper coach for Columbia, SAL.

SAN DIEGO—Traded C Brian Johnson and RHP Willie Blair to the Detroit Tigers for LHP Joey Eischen and RHP Cam Smith.

SAN FRANCISCO—Signed OF Dax Jones, RHP John Johnstone and C Rich Rowland to minor-league contracts.

BASKETBALL

NATIONAL BASKETBALL ASSOCIATION

TORONTO—Activated F Zan Tabak from injured list.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

ATLANTA—Suspended DE Chuck Smith for conduct detrimental to team.

PHILADELPHIA—Signed DT Keith Rucker to two-year contract and WR Calvin Williams to one-year contract. Released DT Kevin Johnson and DB Barry Wilburn.

SAN FRANCISCO—Waived WR Kevin Lee.

TAMPA BAY—Put C Jim Pyne and LB Jeff Gooch on injured reserve. Signed LB Mark Williams. Activated C Kevin Dogins from practice squad. Signed CB Rashid Gayle to practice squad.

HOCKEY

NATIONAL HOCKEY LEAGUE

ANAHEIM—Assigned RW Valeri Karpov to Baltimore, AHL.

HARTFORD—Assigned G Manny Legace to Richmond, ECHL.

LOS ANGELES—Signed D Rick Zombo to 1-year contract.

NEW JERSEY—Recalled D Kevin Dean to Albany, AHL.

NEW YORK ISLANDERS—Recalled C Nick Vachon from Utah, IHL. Sent RW Mick Vukota to Utah.

ST. LOUIS—Recalled F Jamal Mayers and F Alex Vasilevski from Worcester, AHL. Assigned F Scott Pellerin and D Jamie Rivers to Worcester.

SAN JOSE—Assigned RW Jan Caloun to Kentucky, AHL. Recalled LW Andrei Nazarov from Kentucky and C Ray Whitney from Utah, IHL. Assigned RW Jan Caloun to Kentucky, AHL.

TAMPA BAY—Assigned LW Brent Peterson to Adirondack, AHL. Recalled F Paul Brousseau and F Allen Egeland from Adirondack, IHL.

TORONTO—Called up D David Cooper from St. John's, AHL.

VANCOUVER—Called up D Frantisek Kucera from Syracuse, AHL.

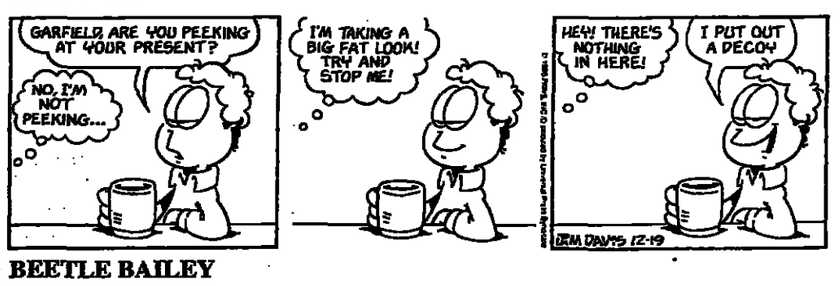
WASHINGTON—Recalled D Stewart Malgunas from Portland, AHL.

DENNIS THE MENACE

PEANUTS

CALVIN AND HOBBES

GARFIELD



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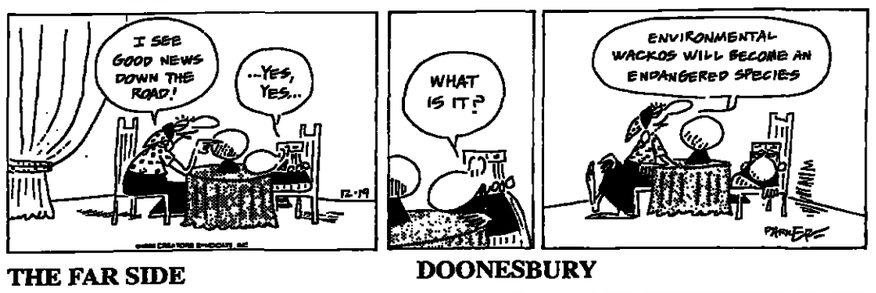


JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

KLEAY
GILEA
IMBAGT
BALTOC

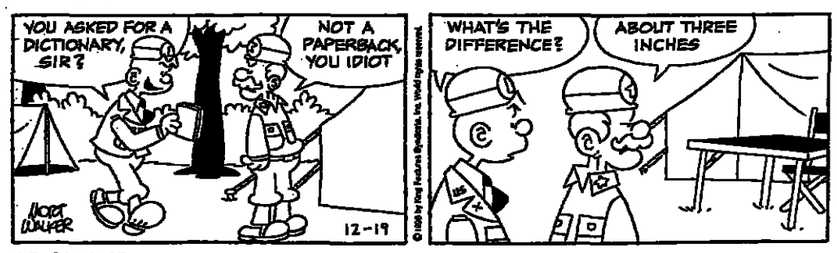
Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: ( ) AND ( ) (Answers tomorrow)

Yesterday's Jumbles: OBESE TRILL CHOSEN SHERRY
Answer: We might call an optometrologist's office this — A SITE FOR SORE EYES

Holiday Inn
PARIS-ORLY
For your next meeting...
In February & March, 1997
Special Conference Package Rates available!
Please, call now:
TEL: 01.46.87.26.66 FAX: 01.45.60.91.25

BEETLE BAILEY



THE FAR SIDE

"A few cattle are going to stray off in the morning, and tomorrow night, a stampede is planned around midnight. Look, I gotta get back. ... Remember, when we reach Santa Fe, I ain't slaughtered."

DOONESBURY

BLONDIE

ART BUCHWALD

Christmas Canvas

WASHINGTON — Robson, the artist, called and asked if I would come over and see the Christmas painting he was working on. I agreed because Robson was from the Norman Rockwell school, and I always understood what he was saying.

Buchwald

The canvas was very large and took up almost half his studio. In the picture, the mother was carrying the turkey and the father, seated at the head of the table, was smiling and prepared to carve. There was nobody else at the table.

"Where are the children?" I asked Robson.

"Larry is at the Fergusons."

"Why? Are they also serving dinner?"

"No, they are in Florida, and young Ferguson has the place to himself. But Larry says that Christmas is always a more festive holiday if your parents aren't around."

"What about Tommy?"

"We're not too sure where Tommy is. He walked out of the house when we told him that he couldn't share the bedroom with his girlfriend, Lulu. He said that they share one at school and didn't see why they couldn't have the same arrangement in his own home.

"His mother said it wasn't his home, it was our home, and our rules prevailed."

"That's when they walked out?"

"Not exactly. Tommy asked to borrow the car so he could go and stay in a motel. I said no, and that's when he walked out."

"Are my eyes failing? I don't see Bobby."

"He's skiing. He said that he could see us any time, but this was the first snow they had had at Sugarbush."

□

"Hey, wait a minute. Where is your dog Major?"

"He's next door with the Congdons' poodle."

"Can I ask why?"

"Probably because the Congdons are serving roast beef, which Major likes a lot more than turkey."

"Just out of curiosity, what title are you going to give this painting?"

"'Henry in Bermuda.'"

"Come to think of it, I don't see Henry in the picture, either."

"Of course, you don't. That's because Henry *is* in Bermuda."

Michelin Rearranges Stars

Reuters

PARIS — The Michelin guide, bible of gourmets across Europe, has given two restaurants in Spain and Italy its top three-star rating but stripped one Swiss and two Italian restaurants of their third stars.

In its 1997 hotel and restaurant guides, Michelin promoted El Bulli in Rosas, Spain, and Don Alfonso 1890 in Sant'Agata sui Due Golfi, near Sorrento, to its top rank.

But it removed the third star from Antica Osteria del Ponte in Abbiategrasso, near Milan, and from Gualtiero Marchesi in Erbusco near Brescia. It also demoted Girardet restaurant in Crissier, Switzerland — the chef, Fredy Girardet, has just retired from the kitchen.

The Real Count Was No 'English Patient'

By Jane Perlez
New York Times Service

Phil Bray/Miramax Films
Ralph Fiennes, who plays Count Laszlo Almasy in the movie, dancing with Kristin Scott Thomas.

BUDAPEST — The character compassionately depicted in the film "The English Patient" as a desert explorer with enigmatic origins is based on a real-life Hungarian who served German military intelligence in World War II and then apparently spied for the Soviet Union.

For his daring on the side of the Germans, Count Laszlo Almasy, who died of dysentery in Austria in 1951 at the age of 55, was awarded an Iron Cross by Field Marshal Erwin Rommel.

Through an adventure-strewn life that traversed wildly different nations and cultures through two world wars, the collapse of the Austro-Hungarian empire and the takeover of his country by the Communists, the tall, slender, slightly stooped, multilingual count often seemed many things to many people.

A small group of Almasy aficionados — including a former British intelligence officer living in London and a dreamy Hungarian cartographer at a Budapest university — have spent years piecing together the count's involved past, his personal preferences and his physical exploits.

The real Almasy was a far cry from the character portrayed by Ralph Fiennes in the film based on Michael Ondaatje's novel, a dashing explorer who falls in love with another man's wife while working with the Royal Geographical Society in North Africa, and who helps the Nazis only as a way to be united with his love.

In real life he was an intrepid explorer, but he was also a homosexual who wrote passionate letters to a young German officer he tried to help avoid going to the Russian front. And he was a monarchist, obsessed with the idea of returning the Hapsburgs to the throne even when it was clear the empire was beyond redemption.

The research into the real Almasy shows a man who was willing to work for whoever suited him at the moment.

Jean Howard, who as a young officer at Britain's Code and Cipher School at Bletchley Park first heard Almasy's radio signals as the count crossed the desert for the Germans, said that in the 1930s Almasy offered his services to British intelligence. He was turned down because he was suspected of being pro-German, she said.

He then offered himself to the Italians, but they too turned him down.

A Hungarian Nazi sympathizer wrote that after World War II Almasy informed the Soviet-controlled government in Budapest that a Hungarian official was smuggling treasures of the famed Esterhazy family from Hungary into Egypt. On the strength of Almasy's information, the official, Victor Chornoky, the son-in-law of Zoltan Tildy, then the Hungarian president, was called home from his post as ambassador to Cairo, sentenced to death and hanged, said the account by Ferenc Fiala, published in Munich in 1976.

But the count's major espionage work appears to have been for the Germans. He lauded them for their invincibility and cited Rommel for his humanity in a book he wrote in 1943, "With Rommel's Army in Libya."

The real count, known for his intimate knowledge of the North African desert, was specifically requested in 1940 from the Hungarian government, then sympathetic to though not officially allied with Germany, by the German military for work with Rommel, said Zsolt Torok, a cartographer at the Eotvos Lorand University in Budapest.

Awarded the rank of major in the German Air Force, the count made a number of audacious raids. Driving a captured British Ford car through British lines in the North African desert, he traveled nearly 2,000 desert miles (3,200 kilometers), relying on water holes he knew from his expeditions in the 1930s, to take the infamous German spy, Hans Eppler, to an oasis near Cairo. In a mission code named Operation Condor, Eppler was then able to set up a German intelligence headquarters on a houseboat on the Nile.

The count also made two daring though unsuccessful attempts to get the pro-German head of the Egyptian Army, Masri Pasha, out of Egypt so that the pasha could help Rommel take Egypt.

In another example of what can be seen as the real count's treachery, Elizabeth Pathy Salett, the daughter of a Hungarian diplomat posted in Egypt in the 1930s, said that the count had planned a desert museum as a front for German espionage.

Salett, who lives in Washington and whose father, Laszlo Pathy, was Hungarian consul general in Alexandria, Egypt, recently wrote an article for The Washington Post that outlined how Almasy sought revenge against her father.

After the count's museum plans were scotched in 1936 because the Egyptian king learned that the museum was planned as a cover, the count blamed her father, Salett said. Six years later, while in Rommel's service, the count sneaked into Cairo for 10 days, Salett said. On his way out the British confiscated his briefcase and found a list of the people Rommel planned to arrest when he occupied Egypt. Among the names, she said, was her father's.

For Salett and other Hungarians who have seen "The English Patient," the movie portrait of Almasy is "amoral and ahistorical." She said that by ignoring the count's work for the Germans, Ondaatje, who won the Booker Prize for his novel, trivialized the "significance of the choices men like Almasy made."

Ondaatje said in a telephone interview from Oklahoma that the character was loosely based on the life of Almasy. But for the emotional, even poetic, view that he was striving for, Ondaatje said, the count's political and social world was an irrelevant aside.

PEOPLE

Charles Platiau/Reuters
The Euroskeptical Spice Girls upon their arrival in Paris via the Eurotunnel.

THE suddenly political, ever provocative all-woman British pop band the **Spice Girls** swept into Paris with a resounding "no comment" on accusations by an Israeli songwriter that one of their songs sounds like — one of her songs. According to **Idit Shechtman**, the current Spice Girls hit "Say You'll Be There" bears similarities to "Come to Me," a song she wrote two years ago. The Spice Girls are in France to promote their new release, "2 Become 1." The band — described by The Times of London as "the queens of the bare midriff and the pierced nostril" — caused a stir in Britain last week when they proclaimed themselves Euroskeptical Conservatives and said their idol was **Margaret Thatcher**. In an interview with the Spectator, they were equally tough on her successor, **John Major** ("he has not got a personality") and his Labour Party rival **Tony Blair** ("his hair's all right, but we don't agree with his tax policies.")

□

In a plot worthy of a tear-jerking ballad, country music legend **Faron Young** — who killed himself last week — left large bequests to four of his children but only $1 to the fifth, who testified against him in a divorce trial, a Young business associate says. Nonetheless, the virtually disinherited son, **Robyn Young**, took center stage at the Grand Ole Opry to sing "Hello Walls," his daddy's greatest hit. Faron Young's will left $200,000 each to three of his children, $50,000 to an illegitimate daughter he had acknowledged and $1 to Robyn, who a decade ago testified for his mother in divorce proceedings.

□

A Baltimore prosecutor has dropped a stalking charge against the actor **John Heard** but filed new charges of harassment in a drama with his ex-lover, "Homicide's" **Melissa Leo**, over the pair's 9-year-old son. Leo, 43, and her live-in boyfriend, ski instructor **John Russell**, contend that Heard assaulted Russell in November, spied on them, made threatening phone calls over several months and peered through binoculars at the boy's private school. Heard's attorneys contend that the 50-year-old actor, who pays $3,000 a month in child support, is just a concerned parent looking out for his son's welfare.

□

The "Baywatch" star **Pamela Anderson Lee** is leaving the internationally syndicated series after five years to pursue other projects, including an autobiography she's calling "Pamdemonium." She said that the birth of her son in June had "opened my mind to explore many new personal and professional opportunities." Lee filed for divorce last month from Motley Crue drummer **Tommy Lee**, whom she married in 1995 after a four-day courtship.

□

Secretary of State Warren Christopher loves Irish coffee — but without the Irish whiskey and the caffeine, please. The straight-laced Christopher stopped 32 times in Ireland during his four-year tenure, mostly to refuel his plane at Shannon Airport, which is famous for its Irish coffee. "It used to be the custom of many members of the traveling party to order Irish coffee," said White House spokesman **Mike McCurry**. But Christopher, he said, "used to order an Irish coffee and ask that they make it with decaf and 'hold the whiskey, please.'"

□

A Spanish sculptor has unveiled a controversial new art project: a massive hole in a mountain. **Eduardo Chillida**'s vision for the Canary Islands peak will entail several years work excavating a cubic void big enough to hold Rome's Pantheon. Tindaya Mountain, on the island of Fuerteventura, was once an ancient shrine replete with rock drawings, and the plan has met with resistance from ecologists and archaeologists. Chillida, 71, who has the backing of the local authorities, says he will not disturb the primitive work of fellow artists of an earlier era: "I was inspired by the magic that this placed inspired in ancient peoples and which I share."

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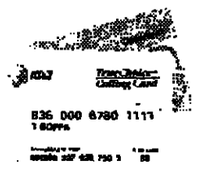

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Italy●	172-1011
Netherlands●	06-022-9111
Russia●▲(Moscow)◆	755-5042
Spain○	900-99-00-11
Sweden	020-795-611
Switzerland●	0800-89-0011
United Kingdom▲	0800-89-0011
MIDDLE EAST	
Egypt●(Cairo)◆	510-0200
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